



[Table of Contents](#)

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

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

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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	<u>Page</u>
<u>PART I</u>	1
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	1
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	1
<u>ITEM 3. KEY INFORMATION</u>	1
<u>ITEM 4. INFORMATION ON THE COMPANY</u>	35
<u>ITEM 4A. UNRESOLVED STAFF COMMENTS</u>	52
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	52
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	64
<u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	73
<u>ITEM 8. FINANCIAL INFORMATION</u>	75
<u>ITEM 9. THE OFFER AND LISTING</u>	76
<u>ITEM 10. ADDITIONAL INFORMATION</u>	76
<u>ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	83
<u>ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	84
<u>PART II</u>	87
<u>ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	87
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	87
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	87
<u>ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT</u>	88
<u>ITEM 16B. CODE OF ETHICS</u>	88
<u>ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	88
<u>ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	88
<u>ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED</u>	89
<u>ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT</u>	89
<u>ITEM 16G. CORPORATE GOVERNANCE</u>	89
<u>ITEM 16H. MINE SAFETY DISCLOSURE</u>	90
<u>ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT</u>	90
<u>ITEM 16J. INSIDER TRADING POLICIES</u>	90
<u>ITEM 16K. CYBERSECURITY</u>	90
<u>PART III</u>	91
<u>ITEM 17. FINANCIAL STATEMENTS</u>	91
<u>ITEM 18. FINANCIAL STATEMENTS</u>	91
<u>ITEM 19. EXHIBITS</u>	92

**CONVENTIONS THAT APPLY TO THIS ANNUAL REPORT ON FORM 20-F**

Unless where the context otherwise requires, references in this annual report on Form 20-F to:

- “ADRs” are to the American depositary receipts, which, if issued, evidence the ADSs;
- “ADSs” are to the American depositary shares, each of which represents twelve ordinary shares;
- “China” and the “PRC” are to the People’s Republic of China and “mainland China” refers to the People’s Republic of China, excluding Taiwan, Hong Kong and Macau;
- “EU” are to the European Union;
- “Hong Kong” or “HK” are to the Hong Kong Special Administrative Region of the PRC;
- “PRC subsidiaries” are to our subsidiaries incorporated in mainland China;
- “shares” or “ordinary shares” are to our ordinary shares, par value \$0.000067 per share;
- “RMB” and “Renminbi” are to the legal currency of China;
- “UK” are to United Kingdom;
- “we,” “us,” “our company” and “our” are to LightInTheBox Holding Co., Ltd., together with its consolidated subsidiaries as a consolidated entity, unless the context requires otherwise; and
- “\$,” “dollars” and “U.S. dollars” are to the legal currency of the United States.

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All inter-company transactions and balances are eliminated upon consolidation.

## FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains statements of a forward-looking nature. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provision under Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. These forward-looking statements relate to, among others:

- our future business development, results of operations and financial condition;
- trends in online consumer purchasing;
- trends in Chinese manufacturing;
- the expected benefits of our acquisitions or investments;
- consumer and economic dynamics in the markets we serve, including any adverse effects the coronavirus outbreak may have on income due to lower transaction volumes;
- expected changes in our revenues and certain cost and expense items; and
- assumptions underlying or related to any of the foregoing.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

You should read these statements in conjunction with the risks disclosed in “Item 3.D. Risk Factors” of this annual report and other risks outlined in our other filings with the Securities and Exchange Commission, or the SEC. Moreover, we operate in an emerging and evolving environment. New risks may emerge from time to time, and it is not possible for our management to predict all risks, nor can we assess the impact of such risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report and the documents that we have referred to in this annual report, completely and with the understanding that our actual future results may be materially different from what we expect.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not Applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not Applicable.

**ITEM 3. KEY INFORMATION**

**Our Holding Company Structure**

LightInTheBox Holding Co., Ltd. is not a Chinese operating company but rather a Cayman Islands holding company with no material operations of our own. We conduct our operations primarily through our subsidiaries in Singapore, Hong Kong, the PRC, the United States and Netherlands. Our holding company structure does provide investors with exposure to foreign investment in China-based companies where Chinese law otherwise prohibits direct foreign investment in the operating companies. Investors in our securities thus are not purchasing equity interest in the operating subsidiaries but instead are purchasing equity interest in LightInTheBox Holding Co., Ltd., a Cayman Islands holding company, and may never directly hold equity interests in the operating subsidiaries. We generate all of our revenue from countries outside the PRC.

Our corporate structure is subject to risks associated with PRC laws and regulations. If the PRC government finds that the structure for operating our business does not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. This would materially and adversely affect our operations, and our ADSs may decline significantly in value or become worthless. The PRC regulatory authorities could also disallow the holding company structure, which would likely result in a material adverse change in our operations, and our ordinary shares or our ADSs may decline significantly in value or become worthless. As such, the holding company structure involves unique risks to investors of our holding company. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure.”

There are relevant laws and regulations in Hong Kong regarding data security, such as the Personal Data (Privacy) Ordinance and the Unsolicited Electronic Messages Ordinance, which impose obligations regarding the collection and handling of personal data in Hong Kong. As of the date of this annual report, our business operations in Hong Kong comply with such laws and regulations. However, if new laws or regulations related to data security in Hong Kong are enacted or promulgated in the future, or the scope of our business operations in Hong Kong changes in the future, such new laws and regulations may have a material impact on our business in Hong Kong.

Our business operations in Hong Kong are also subject to the Competition Ordinance in Hong Kong, which prohibits anti-competitive agreements, abuse of market power and anti-competitive mergers and acquisitions. As of the date of this annual report, no issues relating to the Competition Ordinance or our compliance with the Competition Ordinance have resulted in any material impact on our ability to conduct business. We are not now nor have ever been a party to any inquiries or investigations relating to the Competition Ordinance.

## Cash and Asset Flows Through Our Organization

LightInTheBox Holding Co., Ltd., our Cayman Islands holding company may transfer cash to its wholly owned subsidiaries by making capital contributions or providing intra-group loans, subject to certain restrictions under the applicable local laws, including the laws of mainland China. For the year ended December 31, 2024, LightInTheBox Holding Co., Ltd. transferred cash of \$0.05 million to its wholly owned subsidiary, Ador E-commerce Inc, as capital injection. For the years ended December 31, 2023, 2024 and 2025, LightInTheBox Holding Co., Ltd. received cash transfers of \$4.2 million, \$1.9 million and \$1.8 million, respectively, from our wholly owned Hong Kong subsidiary, Light In The Box Limited. For the years ended December 31, 2023, 2024 and 2025, no assets other than above cash transactions were transferred between our Cayman Islands holding company and a subsidiary, no subsidiaries paid dividends or made other distributions to the holding company. For further details, please see Schedule I to our audited consolidated financial statements included in this annual report. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty.

As of the date of this annual report, no dividends or distributions were made to LightInTheBox Holding Co., Ltd. by our subsidiaries, and no dividends or distributions have been made to U.S. investors. We currently intend to retain most, if not all, of our available funds and any future earnings to operate our business and we have no present plan to pay any dividends on our ordinary shares in the foreseeable future. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy.” Under the laws and regulations of mainland China, cash transfers, distributions or dividend payments from our PRC subsidiaries to entities or individuals outside of mainland China, including to LightInTheBox Holding Co., Ltd. and U.S. investors, are subject to PRC government control of currency conversion and the satisfaction of applicable government registration and approval requirements for cross-border cash transfers. Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. Additionally, if our PRC subsidiaries incur debt on its own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. In addition, the revenue and assets of our PRC subsidiaries are denominated in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to pay dividends to us, including to LightInTheBox Holding Co., Ltd. and U.S. investors. However, we generate all cash from operating activities from countries outside of the PRC, and we do not expect to distribute cash from our PRC subsidiaries to subsidiaries outside of mainland China. Currently, there are no restrictions (1) of transferring funds between LightInTheBox Holding Co., Ltd., our Cayman Islands holding company, and its subsidiaries in Hong Kong or other jurisdictions, or (2) of distributing earnings from LightInTheBox Holding Co., Ltd. and its subsidiaries in Hong Kong or other jurisdictions to U.S. investors. For the tax obligations of an investment in our ADSs and/or ordinary shares, please see “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.”

See “Item 18. Financial Statements” for additional details.

As we generate all of our revenue from countries outside of the PRC, we do not expect to rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. To the extent cash or assets in our business is in mainland China or Hong Kong or in our PRC subsidiaries or Hong Kong subsidiaries, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations by the PRC government on our and our subsidiaries’ ability to transfer cash or assets. As of the date of this annual report, there is no equivalent or similar restriction or limitation in Hong Kong on cash transfers in, or out of, our Hong Kong subsidiaries. However, if restrictions or limitations were to become applicable to cash transfers in and out of Hong Kong subsidiaries in the future, the funds in our Hong Kong subsidiaries may not be available to fund operations or for other use outside of Hong Kong.

The Company's management is directly supervising cash management. Our finance department is responsible for establishing the cash management policies and procedures among our subsidiaries and departments. Each subsidiary or department initiates a cash request by putting forward a cash demand plan, which explains the specific amount and timing of cash requested, and submitting it to designated management members of the Company, based on the amount and the use of cash requested. The designated management member examines and approves the allocation of cash based on the sources of cash and the priorities of the needs, and submits it to the cashier specialists of our finance department for a second review. Other than the above, we currently do not have other cash management policies or procedures that dictate how funds are transferred. Prior to the completion of our initial public offering in June 2013, the sources of funding of the Company and its subsidiaries primarily consisted of capital injections by shareholders and cash generated from operations. For the last three fiscal years, cash transfers and transfers of other assets between LightInTheBox Holding Co., Ltd. and its subsidiaries are disclosed above.

### **Doing Business in China**

We generate all of our revenue from countries outside the PRC. However, a portion of our daily operations, including product procurement, website operation and research and development, are conducted primarily through our subsidiaries in China, and we face various risks and uncertainties related to doing business in mainland China. We are subject to complex and evolving laws and regulations of mainland China. For example, we face risks associated with regulatory approvals on offshore offerings, which may impact our ability to conduct certain businesses, accept foreign investments, or list on a United States or other foreign exchange. These risks could result in a material adverse change in our operations and the value of our securities, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline.

The PRC government has significant authority in regulating our operations and may intervene or influence our operations at any time, which could result in a material adverse change in our operations and the value of our securities. The PRC government has recently indicated its intent to exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers. Such actions could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. For example, anti-monopoly regulators in mainland China have promulgated new anti-monopoly and competition laws and regulations and strengthened the enforcement under these laws and regulations. There remain uncertainties as to how the laws, regulations and guidelines recently promulgated will be implemented and whether these laws, regulations and guidelines will have a material impact on our business, financial condition, results of operations and prospects. If any non-compliance is identified by relevant authorities, we may be subject to fines and other penalties. See "Item 3. Key Information—D. Risk Factors—Our business is subject to the laws of various jurisdictions, many of which are unsettled and still developing and could subject us to claims or otherwise harm our business", "Item 3. Key Information—D. Risk Factors—The PRC government may intervene or exert influence on our operations at any time, which could result in a material adverse change in our operations and the value of our ADSs and ordinary shares", "Item 3. Key Information—D. Risk Factors—Uncertainties with respect to the interpretation and enforcement of laws, and changes in laws and regulations in mainland China could materially and adversely affect us." and "Item 3. Key Information—D. Risk Factors—We may be required to obtain approval in the future and may be denied permission from the authorities of mainland China to list on U.S. exchanges, we may not be able to continue listing on U.S. exchange, which could have a material adverse effect on our business, financial condition and results of operations as well as the trading price of the ADSs." for additional details.

### **Permissions Required from the PRC Authorities for Our Operations and Overseas Securities Offerings**

Recently, the PRC government has initiated a series of regulatory actions and made a number of public statements on offerings that are conducted overseas and/or involve foreign investment in China-based issuers, including the Opinions on Strictly Cracking down on Securities-related Illegal Activities in Accordance with the Law (promulgated by the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on July 6, 2021) or the Opinions, the Cybersecurity Review Measures (promulgated by Cybersecurity Administration of China, or the CAC, on December 28, 2021 and became effective on February 15, 2022), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures (promulgated by the China Securities Regulatory Commission, or the CSRC and became effective on March 31, 2023), and the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises, or the Confidentiality and Archives Administration Provisions (promulgated by China Securities Regulatory Commission, Ministry of Finance, State Secrecy Administration, State Archives Bureau and became effective on March 31, 2023).

We believe that under the currently effective PRC laws and regulations, we are not required to file for a cybersecurity review by the CAC for our past issuance of securities to foreign investors and maintaining our listing status on the NYSE Capital Market, since a company already listed in a foreign stock exchange before promulgation of the latest Cybersecurity Review Measures is not required to file for a cybersecurity review by the CAC to maintain its listing status on the foreign stock exchange on which its securities have been listed. In terms of CSRC filings, according to the Trial Measures, among other things, a domestic company in mainland China that seeks to offer and list securities on overseas markets (either in direct or indirect means) shall fulfill the filing procedures with the CSRC as per requirement of the Trial Measures. Even though we are not required to complete the filing procedures with the CSRC for our historical issuance of securities, we may be required by the Trial Measures to file with the CSRC in connection with future securities offerings and listings outside of mainland China, including follow-on offerings, issuance of convertible bonds, offshore relisting after going-private transactions, and other equivalent offering activities. There remain substantial uncertainties about the interpretation, application and implementation of the laws and regulations relating to the CSRC filing and CAC cybersecurity review. If we fail to obtain any requisite approvals with respect to future offerings of our equity securities to foreign investors, or if we inadvertently conclude that such approvals are required or not required, or if the applicable laws, regulations or interpretations thereof change and we become subject to the requirement of additional permissions or approvals in the future, our ability to execute our financing and equity offering plans may be significantly limited or completely hindered. We cannot assure you that we will be able to obtain such permissions or approvals in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could impede our efforts to improve our liquidity or expand our business operation, and we cannot assure you that there will not be material negative impacts on our financial condition and result of operations, or a significant decline in the value of our ADSs. Furthermore, we cannot assure you that authorities of mainland China will not promulgate new laws to further regulate the listing of our ADSs, or impose new compliance obligations for us to maintain the listing of our ADSs. Certain of our actions in relation to our overseas listing may also constitute a violation of the PRC Securities Law or other relevant laws, and as a consequence, subject us to penalties, including without limitation fines, limitations on our ability of financing activities, or the suspension or termination of certain aspects of our business operations, which may in turn result in substantial difficulty for us to maintain our listing overseas. Any measures taken by the PRC authorities to regulate or exert more control over securities offerings conducted overseas and foreign investments in China-based issuers may limit or hinder our ability to offer or continue to offer securities to investors, and the price of our ADSs may decline significantly, leading to a material adverse effect on the value of investments in our ADSs by investors.

As of the date of this annual report, we and our PRC subsidiaries have received from relevant PRC authorities all requisite licenses, permissions, approvals or certificates needed for operations in China, and no permission or approval has been denied. As of the date of this annual report, we have not been subject to any material administrative penalties from the regulatory authorities of mainland China. We are required to continue to comply with the provisions of the laws, regulations and policies of mainland China for the operations of our subsidiaries in mainland China and we remain subject to the supervision of the relevant regulatory authorities of mainland China. Given the uncertainties of interpretation and implementation of laws and regulations and the enforcement practice by government authorities, we may be required to obtain additional licenses, permits, filings or approvals for our business and operations in the future. We cannot assure you that we will be able to obtain, in a timely manner or at all, or maintain such licenses, permits or approvals, and we may also inadvertently conclude that such permissions or approvals are not required. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us or our PRC subsidiaries may have a material adverse impact on our business, results of operations, financial condition and prospects, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, and cause the value of our securities to significantly decline or become worthless.

## **The Holding Foreign Companies Accountable Act**

The Holding Foreign Companies Accountable Act, or the HFCAA, was enacted on December 18, 2020, as amended by the Consolidated Appropriations Act, 2023. The HFCAA states that if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, a jurisdiction where the PCAOB determined that it had been unable to inspect or investigate completely registered public accounting firms headquartered there until December 2022. On August 26, 2022, the PCAOB announced that it had signed a Statement of Protocol (the “SOP”) with the China Securities Regulatory Commission and the Ministry of Finance of China. The SOP, together with two protocol agreements governing inspections and investigations, establishes a specific, accountable framework to make possible complete inspections and investigations by the PCAOB of audit firms based in mainland China and Hong Kong, as required under U.S. law. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022 and vacated the 2021 Determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. As such, we were not identified as a “Commission-Identified Issuer” under the HFCAA for the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2022. On December 29, 2022, the Consolidated Appropriations Act, 2023, was signed into law, which amended the HFCAA (i) to reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two, and (ii) so that any foreign jurisdiction could be the reason why the PCAOB does not have complete access to inspect or investigate a company’s auditors. As it was originally enacted, the HFCAA applied only if the PCAOB’s inability to inspect or investigate because of a position taken by an authority in the foreign jurisdiction where the relevant public accounting firm is located. As a result of the Consolidated Appropriations Act, 2023, the HFCAA now also applies if the PCAOB’s inability to inspect or investigate the relevant accounting firm is due to a position taken by an authority in any foreign jurisdiction. The denying jurisdiction does not need to be where the accounting firm is located. As such, whether the PCAOB will continue to conduct inspections and investigations completely to its satisfaction of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our current auditor’s, control, including positions taken by authorities of the PRC. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in mainland China and Hong Kong in the future and states that it has already made plans to resume regular inspections in early 2023 and beyond. The PCAOB is required under the HFCAA to make its determination on an annual basis with regard to its ability to inspect and investigate completely accounting firms based in mainland China and Hong Kong. The possibility of being a “Commission-Identified Issuer” and the risk of delisting could continue to adversely affect the trading price of our securities. Should the PCAOB again encounter impediments to inspections and investigations in mainland China or Hong Kong as a result of positions taken by any authority in either jurisdiction, the PCAOB will make determinations under the HFCAA as and when appropriate. Our current auditor, Marcum Asia CPAs LLP, is a registered public accounting firm headquartered in New York and is currently subject to PCAOB’s regular inspections. However, our current auditor’s audit working papers related to us are located in China, which may still create uncertainties about the ability of our current auditor to fully cooperate with the PCAOB’s inspection requests without the approval of the relevant PRC authorities. If PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a “Commission-Identified Issuer” following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of our ADSs. For details, see “Risk Factors—Risks Related to the ADSs—Although the audit report included in this annual report is prepared by U.S.-based auditors who are subject to PCAOB inspections on a regular basis, there is no guarantee that future audit reports will be prepared by auditors inspected by the PCAOB and, as such, in the future investors may be deprived of the benefits of such inspection. Furthermore, trading in our ADSs may be prohibited under the HFCAA if the SEC subsequently determines our audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely, and as a result, the NYSE, may determine to delist our ADSs. The delisting of our ADSs, or the threat of their being delisted, may have a material adverse impact on our listing and trading in the U.S. and the trading prices of our ADSs.”

## Summary of Risk Factors

An investment in our capital stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this annual report, before making an investment decision. If any of the following risks actually occurs, our business, prospects, financial condition or results of operations could suffer. In that case, the trading price of our capital stock could decline, and you may lose all or part of your investment. Below please find a summary of the principal risks we face. The legal and operational risks associated with having operations in mainland China also apply to our presence in Hong Kong. As Hong Kong currently operates under a different set of laws from mainland China, the laws, regulations and the discretion of the governmental authorities in mainland China discussed in this annual report are expected to apply to our entities and businesses in mainland China, rather than entities or businesses in Hong Kong. However, there can be no assurance as to whether the government of Hong Kong will enact laws and regulations similar to mainland China, or whether any laws or regulations of mainland China will become applicable to our operations in Hong Kong in the future. These risks are discussed more fully in “Item 3. Key Information—D. Risk Factors.”

- Any catastrophe, including outbreaks of health pandemics and other extraordinary events, could severely disrupt our business operations.
- Changes in international trade policies and international barriers to trade, or the emergence of a trade war, may have an adverse effect on our business and transformation strategies.
- The online apparel industry is intensely competitive and we may not compete successfully against new and existing competitors, which may materially and adversely affect our results of operations.
- We face a number of challenges in the operation and transformation of our business.
- We are undergoing a strategic transformation from a traditional e-commerce retail into a consumer lifestyle company. Any failure to execute our transforming strategies effectively may materially and adversely affect our business and prospects.
- Our failure to quickly identify and adapt to changing industry conditions may have a material and adverse effect on our business, financial condition and results of operations.
- We may have difficulties managing our marketing efforts and may face increased competition in our marketing efforts, which could materially and adversely affect our business.
- Products manufactured by our suppliers may be defective in quality or infringe on the intellectual property rights of others, which may materially and adversely affect our business and our reputation.
- We use third-party couriers to deliver products and their failure to provide high quality delivery services or our failure to effectively manage our partnership with them may materially and adversely affect our business, financial condition and results of operations.
- We are subject to payment-related risks which may materially and adversely affect our business, financial condition and results of operations.
- We may not be able to successfully adopt new technologies or adapt our websites, mobile applications and systems to customer requirements or emerging industry practices, which may materially and adversely affect our business, financial condition and results of operations.
- The proper functioning of our information infrastructure or those of third-party service providers we rely upon is essential to our business and any failure to maintain the satisfactory performance, security and integrity of our information infrastructure may materially and adversely affect our business, reputation, financial condition and results of operations.

- We have incurred net losses and experienced net current liabilities and negative cash flow from operating activities in the past. We may incur net losses and experience net current liabilities and negative cash flow from operating activities and, as a result, we may need to obtain additional capital in the future.
- We may rely on dividends and other distributions on equity paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business. To the extent cash or assets in our business is in mainland China or Hong Kong or in our PRC subsidiaries or Hong Kong subsidiaries, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations by the PRC government on our and our subsidiaries' ability to transfer cash or assets. For details, see "Risk Factors—We may rely on dividends and other distributions on equity paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business." of this annual report on page 19.
- Our business is subject to the laws of various jurisdictions, many of which are unsettled and still developing and could subject us to claims or otherwise harm our business.
- Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations. The PRC government has significant authority in regulating our operations and may influence or intervene in our operations at any time. Actions by the PRC government to exert more control over offerings conducted overseas by, and foreign investment in, China-based issuers could result in a material change in our operations, and significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In such events, our securities could decline in value or become worthless. For details, see "Risk Factors—The PRC government may intervene or exert influence on our operations at any time, which could result in a material adverse change in our operations and the value of our ADSs and ordinary shares." of this annual report on page 20.
- Changes in laws, regulations and policies in mainland China and uncertainties with respect to the interpretation and enforcement of the laws, regulations and policies in mainland China and the fact that rules and regulations in mainland China can change quickly with little advance notice. Rules and regulations in China are subject to changes by the relevant authorities. Sometimes such authorities will publish draft of the revisions to existing rules and regulations for public comments and consultation before enacting such revisions. But such consultations are done on case-by-case basis and we otherwise lack public channels to learn the extents of the revisions beforehand, in which case we might have limited time to ensure timely compliance upon the enactment of such revisions. All of the above factors could adversely affect us. For details, see "Risk Factors— Uncertainties with respect to the interpretation and enforcement of laws, and changes in laws and regulations in mainland China could materially and adversely affect us." of this annual report on page 23.
- We may engage in acquisitions that may present integration challenges, disrupt our business and lower our operating results and the value of your investment.

**A. [Reserved]**

**B. Capitalization and Indebtedness**

Not Applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not Applicable.

**D. Risk Factors**

## **Risks Related to Our Business and Industry**

***Any catastrophe, including outbreaks of health pandemics and other extraordinary events, could severely disrupt our business operations.***

Our business could be materially and adversely affected by the outbreak of pandemics. Any occurrence of pandemic diseases or other adverse public health developments could severely disrupt our staffing or the staffing of our suppliers and couriers and otherwise reduce the activity levels of our workforce and the workforce of our suppliers and couriers, causing a material and adverse effect on our business operations.

In particular, in recent years, global outbreaks of infectious diseases, including COVID-19, influenza and other infectious diseases, have had a negative impact on the global economy and our business in certain areas, such as causing certain delay in the delivery schedule of products purchased through our online platform, and disruption to our customers, supply chains and staff, and further to our global operations. We may still be unable to accurately and comprehensively predict the potential impact of future outbreaks of various infectious diseases. If such infectious diseases have a sustained adverse impact on the global economy, our operations and trading volumes, our business, financial condition and results of operations could be materially adversely affected.

In addition, our operations are vulnerable to interruption and damage from natural and other types of catastrophes, including earthquakes, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks and similar events. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. Occurrences of natural disasters, as well as accidents and incidents of adverse weather in or around our warehouses, sourcing offices or suppliers may materially and adversely affect our business and results of operations. We may also be particularly vulnerable to catastrophes in Europe and North America, where most of our customers are located. Changing climate conditions, primarily rising global temperatures, may be increasing, or may in the future increase, the frequency and severity of natural catastrophes. If any such catastrophe or extraordinary event occurs in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to deliver our services and products to our customers and could decrease demand for our products. Because we only have limited insurance covering certain of our warehouses and do not maintain insurance for all of our properties, significant time could be required to resume our operations and our financial position and operating results could be materially and adversely affected in the event of any major catastrophic event.

***Changes in international trade policies and international barriers to trade, or the emergence of a trade war, may have an adverse effect on our business and transformation strategies.***

Changes to trade policies, treaties and tariffs in the jurisdictions in which we operate, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate, as well as our international and cross-border operations, our financial condition and results of operations. In recent years, the U.S. administration has advocated greater restrictions on trade generally and significant increases on tariffs on certain goods imported into the United States, particularly from China and has recently taken steps toward restricting trade in certain goods. Escalating tensions between China and the U.S. could fuel consumer sentiment favoring the boycott of Chinese products, potentially harming brand reputation. U.S. policies may disrupt global logistics, such as stricter customs inspections leading to clearance delays. Additionally, shipping routes between China and the U.S. could be impacted by geopolitical tensions, resulting in increased transportation costs, extended delivery times, and potential declines in customer satisfaction.

The administration of U.S. President Donald Trump has introduced significant changes in trade policies, including imposition of new tariffs and other trade restrictions that could affect cross-border commerce. In recent years, the U.S. administration has implemented and adjusted a range of trade policies and tariff measures affecting imports from China, resulting in periods of heightened trade tensions and increased restrictions on cross-border commerce. In early 2025, bilateral trade tensions intensified and led to elevated tariff levels on certain Chinese-origin goods. Beginning in November 2025, certain tariff measures were temporarily suspended or reduced, and such easing measures are currently expected to remain in place through November 2026. However, other tariffs remain in effect, and these arrangements are subject to expiration, modification or reversal. The U.S. administration has also indicated that trade policies and enforcement actions may continue to evolve, and further changes or escalations in tariffs or other trade restrictions could occur in the future.

In addition to U.S. trade measures, the European Union has adopted significant customs reforms affecting cross-border e-commerce. Effective July 1, 2026, the EU will abolish the longstanding customs duty exemption for low-value parcels valued at €150 or less and impose a temporary fixed customs duty of €3 per tariff item category on such parcels imported from non-EU jurisdictions. This change will materially increase our direct shipping and import costs, reduce gross margins, require system and process modifications for customs compliance, and may force pricing adjustments that could reduce demand and competitiveness in the EU market. Following this transitional tariff regime, permanent EU customs changes expected in 2028 may impose additional and variable duty costs, further heightening uncertainty.

As we are selling goods to customers globally, any unfavorable changes in international trade policies and international barriers to trade, such as capital controls or tariffs, may affect the demand for our products and services, impact the competitive position of our products or prevent us from being able to sell products in certain countries.

Any international trade policies and barriers to trade could ultimately result in to a trade war, which would have an adverse effect on manufacturing levels, trade levels and industries, including logistics, retail sales and other businesses and services that rely on trade, commerce and manufacturing. Any such escalation in trade tensions or a trade war, or news and rumors of the escalation of a potential trade war, could have a material and adverse effect on our business, results of operations and trading price of our ADSs.

***The online apparel industry is intensely competitive and we may not compete successfully against new and existing competitors, which may materially and adversely affect our results of operations.***

The market for products posted on our websites and mobile applications is intensely competitive. Customers have many choices online and offline, including global, regional and local brands. For example, our current and potential competitors include global and regional brands and online retailers. In the future, we may also face competition from new entrants, consolidations of existing competitors or companies spun off from our larger competitors.

We face a variety of competitive challenges, including sourcing products efficiently, pricing our products competitively, maintaining optimal inventory levels, selling our products effectively, maintaining the quality of our products, anticipating and responding quickly to changing customer demands and preferences, building our customer base, conducting effective marketing activities and maintaining favorable recognition of our brands, websites and products. In addition, as our transformation evolves, we will face increasing challenges to compete unique designs for and retain high quality suppliers. If we cannot properly address these challenges, our business and prospects could be materially and adversely affected.

Some of our current and potential competitors have significantly more established brands or greater financial, sourcing, marketing, research and development, operational or other resources than we do. In addition, our competitors may be acquired by, receive investments from or enter into strategic partnership with well-established and well-financed companies or investors, which would help to enhance their competitive positions. Certain of our competitors may be able to secure more favorable terms with suppliers, devote greater resources to marketing campaigns, adopt more aggressive pricing or inventory policies and devote substantially more resources to infrastructure and artificial intelligence development. Increased competition may reduce our gross and operating margins, market share, product lifecycle and brand recognition. We may not be able to compete successfully against current and future competitors, and competitive pressures may materially and adversely affect our business, financial condition and results of operations.

***Our results of operations are subject to quarterly fluctuations due to a number of factors that could adversely affect our business and the trading price of the ADSs.***

We experience seasonality in our business, reflecting seasonal fluctuations in online and offline retail patterns in general and for our products. For example, product sales may be higher in the fourth quarter of a calendar year due to the Christmas holidays, and sales may be lower in the first quarter due to the decrease in consumers' desire to purchase after the holiday seasons. Our product mix may experience quarterly shifts which may cause our margins to fluctuate from quarter to quarter.

Due to the foregoing factors, our operating results in one or more future quarters may fall below the expectations of securities analysts and investors. In such event, the trading price of the ADSs may be materially and adversely affected.

***We face a number of challenges in the operation and transformation of our business.***

We face risks and difficulties frequently experienced by companies in our industry, including our potential inability to:

- implement our business model and strategy and adapt and modify them as needed;
- increase awareness of our brands, protect our reputation and develop customer loyalty;
- acquire customers cost-effectively;
- manage our expanding operations and offerings, including the integration of any future acquisitions;
- build a qualified and high-performance team;
- anticipate and adapt to changing conditions in online retail industry globally;
- anticipate and adapt to changes in government regulations, industry consolidation, technological developments and other significant competitive and market dynamics;
- manage risks related to intellectual property rights;
- upgrade our technology or infrastructure to support increased user traffic and product offerings; and
- manage partnership with suppliers and couriers.

***We are undergoing a strategic transformation from a traditional ecommerce retailer into a consumer lifestyle company. Any failure to execute our transforming strategies effectively may materially and adversely affect our business and prospects.***

In response to evolving market dynamics and intense competition, we are undergoing a strategic transformation from a traditional e-commerce platform to a consumer lifestyle company, by capturing consumer preferences and sentiment to offer differentiated products, driving customer engagement through deep emotional resonance. The Company offers highly customized non-standard products during western festivals, holidays and special occasions, meeting consumers' emotional and lifestyle needs. Such events-driven positioning allows the Company to address the sentimental rather than purely functional needs of global consumers, thereby delivering a joyful lifestyle to its customers. To further complement and strengthen our positioning as a consumer lifestyle company, we also adopt a brand matrix strategy by launching three proprietary apparel brands successively since 2024 in women's fashion, sports apparel and light party dress. These brands build around the social attributes of women aged 30 and above, delivering emotional value and a more relaxed, enjoyable lifestyle experience across scenarios such as vacations, social sports, and parties.

We anticipate spending significant resources on pattern making, branding and designing, supply chain upgrades, fulfilment efficiency, technologies and Infrastructures. We will need to continue to recruit new professionals and train, manage and motivate our workforce and manage our relationships with customers, suppliers, wholesalers and third-party service providers. If we are not successful in executing our strategies effectively, our business may be materially and adversely affected.

***Our failure to quickly identify and adapt to changing industry conditions may have a material and adverse effect on our business, financial condition and results of operations.***

The online and offline retail industries are subject to changing consumer preferences and industry conditions. Consequently, we must stay abreast of emerging fashion, lifestyle, design, technological and other industry and consumer trends. This requires timely collection of market feedback, accurate assessments of market trends, deep understanding of industry dynamics and flexible manufacturing capabilities. We have faced and continued to face certain cost pressure and challenging global economic conditions including higher than anticipated digital advertising cost, market regulation on certain products, changes in consumer sentiment and spending, as well as upcoming changes to EU customs regulations. In particular, the longstanding €150 low-value parcel customs duty exemption will be abolished, effective July 1, 2026.

We must also maintain partnership with suppliers who can adapt to fast-changing consumer preferences. If our existing suppliers cannot meet these requirements effectively, we will need to source from new suppliers, which may be costly and time-consuming. We may overestimate customer demand, face increased overhead expenditures without a corresponding increase in product sales and incur inventory write-downs, which will adversely affect our results of operations.

If we cannot offer appealing products on our websites or our mobile applications, our customers may purchase fewer products from us, stop purchasing products from us, visit our websites or our mobile applications less often or stop visiting our websites or our mobile applications all together. Our reputation may also be negatively impacted. If we do not anticipate, identify and respond effectively to consumer preferences or changes in consumer trends at an early stage, we may not be able to generate our desired level of product sales. Failure to properly address these challenges may materially and adversely affect our business, financial condition and results of operations.

***We derive our revenues from products that represent discretionary spending and changes in global macroeconomic conditions may decrease the demand for our products and adversely affect our business prospects.***

Many of our products may be viewed as discretionary items rather than necessities. Consequently, our results of operations tend to be sensitive to changes in macroeconomic conditions that impact consumer discretionary spending. During an economic downturn, customers may be less willing to purchase products that we offer.

Challenging macroeconomic conditions also impact our customers' ability to obtain consumer credit. It is difficult to predict household spending patterns in light of the global economic challenges. Other factors, including consumers' confidence, employment levels, interest rates, tax rates, consumer debt levels and fuel and energy costs, could reduce consumer spending or change in consumers' purchasing habits.

***Our business depends substantially on the continued efforts of our executive officers and our business may be severely disrupted if we lose their services.***

Our future success depends substantially on the continued efforts of our executive officers. Competition for senior management and other key personnel is intense, and the pool of suitable candidates is very limited. We may not be able to retain the services of our senior executives or other key personnel or attract and retain senior executives or key personnel in the future. If one or more of our executive officers are unable or unwilling to continue their employment with us, we may not find replacements in a timely manner, or at all, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected. We may also incur additional expenses to recruit and retain qualified replacements.

If any of our executive officers joins a competitor or forms a competing company, we may lose customers, suppliers, partners and know-how. Each of our executive officers has entered into an employment agreement with us, which contains confidentiality and non-compete provisions. However, if any dispute arises between our executive officers and us and we were not able to enforce these non-compete provisions due to uncertainties in legal proceedings, our business, financial conditions and results of operations may be adversely affected.

***If we are unable to attract, train and retain qualified personnel, our business, financial condition and results of operations may be materially and adversely affected.***

Our business is supported and enhanced by a team of highly skilled employees who are critical to maintaining the quality and consistency of our business and reputation. It is important for us to attract qualified employees, especially marketing personnel, designers, supply chain managers, or engineers with high levels of experience in creative design, software development and Internet-related services. Competition for these employees is intense. In order to attract prospective employees and retain current employees, we may have to increase our employee compensation by a larger amount and at a faster pace than expected, which would increase our operating expenses. In addition, we must hire and train qualified employees in a timely manner to keep pace with our transformation while maintaining the quality of our operations in various geographic locations.

We must also provide continuous training to our employees so that they have up-to-date knowledge of various aspects of our operations and can meet our demand for high quality services. If we fail to do so, the quality of our services may deteriorate in one or more of the markets where we operate, which may cause a negative perception of our brand and adversely affect our business. Finally, disputes between us and our employees may arise from time to time and if we are not able to properly handle our relationship with our employees, our business, financial condition and results of operations may be adversely affected.

***Increases in labor costs or restrictions in the supply of labor may materially and adversely affect our business, financial condition and results of operations and cause our ADSs to be worthless.***

Labor is a significant portion of our cost structure and is subject to many external factors, including unemployment levels, prevailing wage rates, minimum wage laws and changes in employment and labor legislation or other workplace regulation. With the rapid development of the global economy, the cost of labor has risen and may continue to rise. Our results of operations will be materially and adversely affected if the labor costs increase. If competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profitability may decline and could have a material adverse effect on our business, financial condition and results of operations. In addition, even if labor costs do not increase, we, our suppliers, courier partners and other service providers may not be able to find a sufficient number of employees to support our operations.

***We may have difficulties managing our marketing efforts and may face increased competition in our marketing efforts, which could materially and adversely affect our business.***

We may have difficulty managing our marketing efforts as our business evolves. Currently, we actively manage millions of product feeds in over 20 languages on google shopping platform, also manage millions of keywords in over 20 languages and display advertising on over 800,000 publisher sites. In addition, we actively engage with our users on social networking sites. However, given the rapid changes of Internet advertising, customer preferences, the development of new forms of Internet marketing and the different forms of social media in each of our target countries and regions, we may have difficulties adapting our marketing techniques quickly and we may not sustain our customer acquisition rates, which may have a material and adverse effect on our business prospects.

We are highly dependent on our continuing partnership with our affiliate websites, major search engines and social media platforms worldwide. Our advertising publishing partners for our affiliate marketing programs may terminate, suspend or change the business terms under which we work with them. Search engines and social media platforms may introduce new products and features or modify their page ranking algorithms, which may materially increase the complexity and cost of our marketing activities, reduce our online visibility, or lower our web traffic. They may also modify existing features or interfere with our ability to advertise on their platforms or to change the business terms on which we advertise. The occurrence of any such event could materially and adversely affect our ability to acquire new customers and thus negatively impact our business, financial condition and results of operations. Furthermore, search engine and social media marketing operate auction-based bidding system, under which competitors may outbid us on our chosen advertising keywords. This may cause us to increase our marketing expenses to maintain traffic and visibility and adversely affect our results of operations.

***We rely on third-party suppliers for our products and any change and deterioration in such partnership may materially and adversely affect our business, financial condition and results of operations.***

As of December 31, 2025, we sourced our products from around 450 selected active suppliers. Our upgrading supply chain will increase our quality demands, which will require us to increase our supplier qualification.

Our suppliers may:

- cease selling merchandise to us on terms acceptable to us;
- fail to deliver products that meet our demands;
- encounter financial difficulties;
- terminate our partnership or enter into agreements with our competitors;
- have economic or business interests or goals that are inconsistent with ours and take actions contrary to our instructions, requests or objectives;
- be unable or unwilling to fulfill their obligations, including their obligations to meet our production deadlines, quality standards and product specifications;

- fail to upgrade production specification and capacities to meet our demands;
- encounter fabric and other materials or labor shortages or increases in fabric materials or labor costs, which may impact our procurement costs; or
- engage in other activities or employment practices that may harm our reputation.

Furthermore, agreements with our suppliers do not typically establish a fixed price for the purchase of products. As a result, we may be subject to price fluctuations based on changes in our suppliers' businesses, cost structures or other factors. The occurrence of any of these events, alone or together, may have a material and adverse effect on our business, financial condition and results of operations. In addition, our agreements with some of our suppliers do not contain non-compete clauses that would prevent those suppliers from producing similar products for any other third party. Any breakdown in our supplier partnership or our failure to timely resolve disputes with or complaints from our suppliers, could materially and adversely affect our business, financial condition and results of operations.

***Products manufactured by our suppliers may be defective in quality or infringe on the intellectual property rights of others, which may materially and adversely affect our business and our reputation.***

We source some of our products from selected third-party suppliers. Some of the products provided by our suppliers may be defective in quality. Such products may also infringe on the intellectual property rights of third parties. Defective or infringing products may adversely affect consumer perceptions of our company or the products we sell, which may lead to negative reviews that could harm our reputation. Although we have adopted internal policies and guidelines during our procurement process to make sure the products meet expected quality and do not infringe on third-party intellectual property rights, we may receive, from time to time, notices claiming that our products have infringed on the intellectual property rights of others. If we determine that products posted on our websites and mobile applications are infringing on intellectual property rights, we will remove them from our websites and mobile applications.

We may be accused in legal disputes from time to time, including copyright, trademark and patent infringement, product quality complaints, breach of contract, and other matters. In July 2023, a complaint was filed against us in the U.S. federal court alleging trademark infringement and breach of contract, the proceeding is ongoing now. Therefore, we cannot assure you that future claims will not have a material impact on your business and financial condition.

Irrespective of the validity of such allegations or claims, we may experience lost product sales or incur significant costs and efforts in defending against or settling such allegations or claims. If there is a successful claim against us, we may be required to refrain from further sale of the relevant products or pay substantial damages, and we may be unable to recoup our losses from our suppliers. In addition, since our products are sold to customers in many different countries and regions, we are subject to numerous different legal regimes governing mandatory product standards, intellectual property and torts. Such regimes may impose burdensome legal obligations, which may increase the costs and complexity of compliance. Regardless of whether we successfully defend against such claims, our reputation could be severely damaged. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

***We use third-party couriers to deliver products and their failure to provide high quality delivery services or our failure to effectively manage our partnership with them may materially and adversely affect our business, financial condition and results of operations.***

We use a network of third-party courier companies to deliver our parcels to over 100 countries and territories, except for customers' orders on [www.ezbuy.sg](http://www.ezbuy.sg), which are delivered by our local employees. Any interruptions or disruption in these third parties' shipping services could cause a delay in a timely delivery of our products to our customers to whom we provide logistics services. These interruptions may be due to unforeseen events such as inclement weather, natural disasters, import or export restrictions, or labor strike, which may be beyond our control or the control of these third-party couriers. For example, our distribution network is subject to fluctuation in gasoline prices. The rising fuel prices could increase our logistics costs and further, increase the costs of our goods and services. The higher the shipping costs from third-party courier companies, the higher the prices of our products and services and in turn, making us less competitive in the market.

The third-party couriers are also responsible for the customs clearance procedure. If the Customs find that our goods contain controlled items, or our customs declaration document is not compliant with relevant laws or regulations, they have authority to temporarily detain our shipments or require us to pay for a penalty, leading cancellation of our customers' orders or a delay in our shipment.

If we do not deliver products to our customers in a timely manner or deliver damaged or defective products, our customers may refuse to accept our products, leading to a decrease in customer loyalty. Some customers purchase goods for a special occasion, like wedding parties. Furthermore, some of the products have a limited shelf-life and become quickly outdated. Certain products may not be delivered through certain couriers or may not be delivered to certain countries or regions. As a result, certain products may not be deliverable to certain customers or they may not be deliverable at a sufficiently low cost. In addition, if we are unable to ensure the delivery of products of our customers in which we provide logistics services to in a timely manner or such products are damaged during delivery, our customers may no longer choose us over our competitors. Our third-party couriers may be reluctant to offer us favorable terms, which may increase our shipping cost and materially and adversely affect our financial condition and results of operations.

Furthermore, if our third-party couriers terminate their cooperation with us or do not renew their agreements with us on terms acceptable to us upon the expiry of the existing agreements, we may not be able to find alternative couriers to provide delivery services in a timely and reliable manner, or at all, which may materially and adversely affect our financial condition and results of operations. We may not be able to promptly and successfully deliver products to customers, which may result in the loss of their business and a material and adverse effect on our financial condition and reputation.

***We are subject to payment-related risks which may materially and adversely affect our business, financial condition and results of operations.***

Our customers may choose from a wide range of payment methods. As we offer new payment options to our customers, we may be subject to additional regulations, compliance requirements and fraud risk.

We rely on third parties, such as PayPal, Checkout, Stripe, Klarna, Apple Pay and Shop Pay to provide certain payment processing services, including the processing of credit card and debit card transactions. Our business may be disrupted if these companies become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers, or facilitate other types of online payments and our business and operating results could be adversely affected.

Under current credit card practices, we are liable for certain fraudulent credit card transactions because we do not require a cardholder's signature. We do not currently carry insurance against this risk. Although we have only experienced minimal losses from credit card fraud, we still face the risk of significant losses from this type of fraud as our business evolves. Our failure to adequately control fraudulent credit card transactions could damage our reputation and brand, thus substantially harm our business and results of operations. Additionally, for certain payment transactions, including credit and debit cards, we pay interchange and other fees. These fees may increase over time, which would raise our operating costs and lower our operating margins.

***Our expansion in our product offerings may lower our profit margins and materially and adversely affect our business, financial condition and results of operations.***

We derive the majority of our total revenues from apparel products. As we continue to optimize and deepen our supply chain, there have been required improvements on our technologies and infrastructure, our capabilities in data analysis and algorithm, and increased marketing spending. We intend to continue to optimize and deepen our supply chain and increase the value for money and fulfillment efficiency.

Our expansion in our product offerings involve uncertainties and challenges. It imposes deeper involvement in product design, material, product and supplier selections, it also imposes more proactive, efficient and effective feedback to our customers' demands and requests, higher demand on our system functionalities and capacities. Furthermore, we may have to deal with customers in demographics that we have previously not targeted. We also face inventory risks and other challenges when addressing changing customer demands and preferences. We may introduce new products, which may increase the risks of inventory write-downs and financing costs. As a result, we may not be able to compete successfully in these new markets, our costs may increase and our revenues and profit margins may decrease, all of which may materially and adversely affect our business, financial condition and results of operations.

***Our strategic transformation in various geographic markets may pose new logistical, operational and marketing challenges that may materially and adversely affect our business prospects.***

Although our products are sold to customers in over 100 countries and territories, we still have relatively limited experience in many countries in the world. It is costly to establish, develop and maintain international operations, websites and mobile applications and promote our brand internationally. The expansion of new brands and new product lines into such geographic markets may not be profitable on a sustained basis for many reasons including, but not limited to:

- local economic and political conditions;
- government regulation of online retail, other online services and electronic devices and restrictive governmental actions (such as trade protection measures, including export duties and quotas and custom duties and tariffs), nationalization and restrictions on foreign ownership;
- restrictions on sales or distribution of certain products or services and uncertainty regarding intellectual property rights and liability for products, services and content on our websites and mobile applications or social marketing channels;
- business licensing or certification requirements, such as for imports, exports and electronic devices;
- limited fulfillment and technology infrastructure;
- laws and regulations regarding consumer protection, import and export requirements, duties, tariffs, other trade-related barriers or restrictions, data protection, privacy, network security, encryption and restrictions on pricing or discounts;
- lower levels of Internet use;
- lower levels of consumer spending and fewer growth opportunities compared to our current geographic markets;
- lower levels of credit card usage and increased payment risk; and
- difficulty in staffing, developing and managing foreign operations as a result of language and cultural differences.

Competition will continue to intensify. Local companies may have a substantial competitive advantage because of their greater understanding of, and focus on, local consumers, as well as their more established local brand names.

As business practices and consumer demand may vary significantly by region, our experience in the geographic markets on which we currently focus may not be applicable in other parts of the world. For example, we may need to build infrastructure in foreign countries to remain competitive in such markets. Furthermore, deepening our geographic penetration entails increased complexity for our managers and employees including, but not limited to, difficulties associated with managing a more diverse customer base, the challenges of meeting different regulatory regimes and requirements, partnering with different local logistics providers and other business partners, managing more complex marketing efforts and providing customer support in different languages.

To the extent that we cannot successfully manage our operations in other geographic markets, our business, financial condition and results of operations may be materially and adversely affected.

***Our websites, mobile applications or product offerings may not receive positive market recognition and wide acceptance, which may materially and adversely affect our business, financial condition and results of operations. In addition, negative publicity, including negative Internet and blog postings from anonymous sources, about our company, our business, our management or our products could have a material adverse effect on our business, our reputation and the trading price of our ADSs.***

Maintaining and enhancing the level of customer visits to and volume of customer purchases on our websites and mobile applications are critical to our ability to compete effectively. We intend to enhance the recognition of our websites and mobile applications and product offerings by expending significant time and resources on marketing and customer relations. However, we may not be able to achieve our goals in the near term and our marketing efforts may not deliver expected results.

Such efforts may also be jeopardized if we fail to maintain high product quality, fulfill orders for popular items, maintain and enhance high customer experience, provide high quality customer services, or offer efficient and reliable delivery. In addition, any negative publicity or disputes regarding our products, company, management or affiliated individuals may also materially and adversely affect our websites or branded products. Furthermore, if our customer service representatives fail to satisfy the individual needs of customers, our reputation and customer loyalty could be negatively affected and we may lose potential or existing customers and experience a decrease in product sales. Failure to successfully promote and maintain positive customer experience and awareness of our websites and mobile applications, damage to our reputation or brands or loss of customer confidence could materially and adversely affect our results of operations and financial condition.

Factors important to maintaining and increasing the sales volumes of goods purchased from our websites and mobile applications include:

- our ability to maintain a convenient and reliable user experience as customer preferences evolve;
- our ability to increase repeat purchases by customers;
- our ability to increase purchase by mobile application users;
- our ability to provide high quality customer services;
- our ability to offer products of sufficient quality at competitive prices;
- our ability to manage new and existing technologies and sales channels;
- our ability to increase website awareness among existing and potential customers through various means of marketing and promotional activities;
- our ability to assure our customers of the security of our websites and mobile applications for online purchases; and
- the efficiency, reliability and service quality of our logistics and payment service providers.

Any failure to properly manage these factors could negatively impact our websites and mobile applications. Such failures may materially and adversely affect our business, financial condition and results of operations.

In addition, we have from time to time received negative publicity, including negative Internet and blog postings from anonymous sources, and anonymous allegations about our company, our business, our management and our products. We cannot assure you that we will not receive similar negative publicity, negative Internet or blog postings or anonymous allegations in the future. Any such negative publicity, negative Internet or blog postings or anonymous allegations, regardless of veracity, may have a material adverse effect on our business, our reputation and the trading price of our ADSs.

***We may not be able to successfully adopt new technologies or adapt our websites, mobile applications and systems to customer requirements or emerging industry practices, which may materially and adversely affect our business, financial condition and results of operations.***

The Internet and the online retail industry are characterized by rapid technological evolution. Changes in user and customer preferences and the emergence of new technologies, especially in the field of artificial intelligence and the emergence of new practices may render our existing proprietary technologies and systems obsolete. To remain competitive, we must enhance our technology infrastructure and adapt to the evolving online retail landscape. Not only do we need to constantly improve our user experience through personal computers, but we also need to enhance our user experience through mobile phones, handheld tablets or other devices. As new platforms and new devices are continually being released, it is difficult to predict the problems we may encounter to reach customers. If we are unable to adapt to changing technologies, market conditions or customer requirements in a cost-effective and timely manner, whether for technical, financial or other reasons, our business prospects, financial condition and results of operations may be materially adversely affected.

***The proper functioning of our information infrastructure or those of third-party service providers we rely upon is essential to our business and any failure to maintain the satisfactory performance, security and integrity of our information infrastructure may materially and adversely affect our business, reputation, financial condition and results of operations.***

Our revenues from product sales depend on the number of visitors who purchase products on our websites and mobile applications and the volume of orders we fulfill. Our information infrastructure is vulnerable to damage or interruption as a result of terrorist attacks, wars, earthquakes, floods, fires, power loss, health epidemics, undetected errors or “bugs” in our software, computer viruses, interruptions in access to our platform through the use of “denial of service” or similar attacks, hacking or other attempts to harm our systems, and similar events. Some of our systems are not fully redundant, and our disaster recovery planning does not account for all possible scenarios. Telecommunications failures, errors encountered during system upgrades or system expansions, failures related to imbedded social networking functions, computer viruses, attempts to harm our systems, or any inability to maintain, develop and upgrade our existing information infrastructure may damage our hardware and software systems and database, interrupt access to our websites and mobile applications, disrupt our business activities, reveal confidential customer information, slow down response times, degrade customer service, increase shipping and handling costs or delay order fulfillment, which may individually or collectively affect our business, reputation, financial condition and results of operations materially and adversely.

Our technology infrastructure may not function properly as a result of third-party action, employee error, malfeasance or otherwise and resulting in unauthorized access to our customers' data. In addition, our domain names may not point to our IP address correctly due to malfeasance or neglect by our hosting solutions or domain name registries. For example, they may determine that we have violated contractual, civil or criminal duties and, as a result, suspend our domain names. Such errors would render our sites inaccessible for a period of time. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our or our customers' data.

Even if we are successful in preventing security breaches, any perception by the public that online commercial transactions, or the privacy of user information, are increasingly unsafe or vulnerable to attack could inhibit the growth of online retailers and other online services generally, which, in turn, may have a material adverse effect on our business, reputation, financial condition and results of operations.

***Our branding efforts for our products and company may be costly and may not obtain positive market recognition which may materially and adversely affect our business, financial condition and results of operations.***

We have launched our brand matrix strategies, which require more research, design and marketing costs than our private label products. These costs may not be recovered from sufficient sales of these branded products. These brands may not receive or maintain positive market recognition. Furthermore, it may take time and additional expenditures before we realize that our branding efforts have been unsuccessful. As a result of these efforts to develop branded products, we may incur costs without corresponding increases in revenues which may materially and adversely affect our business, financial condition and results of operations.

***We do not have any business liability, disruption or litigation insurance and any business disruption or litigation we experience might result in our incurring substantial costs and diversion of resources.***

Insurance companies offer limited business insurance products and do not, to our knowledge, offer business liability insurance suitable to our business. As such, we currently only have limited insurance covering certain of our warehouses. Any product liability claims or business disruption, natural disaster could result in our incurring substantial costs and diversion of resources, which would have an adverse effect on our business, financial condition and results of operations.

***We rely on certain key operating metrics to evaluate the performance of our business, and perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.***

We rely on certain key operating metrics to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to differences in methodology and assumptions. If these metrics are perceived to be inaccurate by investors or investors make investment decisions based on operating metrics we disclosed but with their own methodology and assumptions or those published or used by third parties or other companies, our reputation may be harmed, which could negatively affect our business, and we may also face potential lawsuits or disputes.

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

We are subject to the reporting obligations under the U.S. securities laws. As required under Section 404 of the Sarbanes-Oxley Act of 2002, the SEC has adopted rules requiring public companies to include a report of management on the effectiveness of such companies' internal control over financial reporting in its annual report. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was effective as of December 31, 2025, but we cannot assure you that in the future we will not identify material weaknesses in our internal control over financial reporting. In addition, because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud might not be prevented or detected on a timely basis. As a result, if we fail to maintain effective internal control over financial reporting or should we be unable to prevent or detect material misstatements due to error or fraud on a timely basis, investors could lose confidence in the reliability of our financial statements, which in turn could harm our business, results of operations and negatively impact the market price of our ADSs and/or ordinary shares, and harm our reputation. Furthermore, we have incurred and expect to continue to incur considerable costs and to use significant management time and the other resources to comply with these reporting requirements.

***Failure to renew the lease of our existing premises or to renew such leases at acceptable terms could materially and adversely affect our business.***

All of our offices and warehouses are presently located on leased premises. At the end of each lease term, we may not be able to negotiate an extension of the lease and may therefore be forced to move to a different location, or the rent we pay may increase significantly. This could disrupt our operations and adversely affect our profitability. A number of our leases will expire in the near future and are subject to renewal at market prices, which could result in a substantial increase in the rent at the time of renewal. We compete with other businesses for premises at certain locations or of desirable sizes and some landlords may have entered into long-term leases with our competitors for such premises. We might also have to relocate our operations for various other reasons, such as failure in passing the fire inspection in certain locations. We may not be able to obtain new leases at desirable locations or renew our existing leases on acceptable terms or at all, which could materially and adversely affect our business.

***We may engage in acquisitions that may present integration challenges, disrupt our business and lower our operating results and the value of your investment.***

As part of our business strategy, we regularly evaluate investments in, mergers with or acquisitions of, complementary businesses, joint ventures, services and technologies. Acquisitions and investments involve numerous risks, including:

- potential failure to achieve the expected benefits of the combination or acquisition;
- difficulties in and the cost of integrating operations, technologies, services and personnel; and
- potential write-offs or impairment loss of acquired assets or investments or related goodwill.

In addition, if we finance acquisitions by issuing equity or convertible debt securities, our existing shareholders may be diluted, which could affect the market price of the ADSs. For example, we issued convertible promissory notes in connection with the Ezbuy acquisition, the conversion of such convertible promissory notes to ADSs has diluted the ownership interests of existing shareholders. Any sales in the public market of our ADSs issuable upon such conversion of the convertible promissory note could adversely affect prevailing market prices of our ADSs. Further, if we fail to properly evaluate and execute acquisitions or investments, our business and prospects may be seriously harmed and the value of your investment may decline.

Furthermore, we may fail to identify or secure suitable acquisition opportunities, or our competitors may capitalize on such opportunities before we do, which could impair our ability to compete with our competitors and adversely affect our operations.

***We have incurred net losses and experienced net current liabilities and negative cash flow from operating activities in the past. We may incur net losses and experience net current liabilities and negative cash flow from operating activities and, as a result, we may need to obtain additional capital in the future.***

We incurred loss from operations of \$10.4 million and \$2.2 million in 2023 and 2024, respectively. Although we generated income from operations of \$8.0 million in 2025, we may incur losses in the future. We had net current liabilities of \$47.5 million, \$50.6 million and \$39.9 million as of December 31, 2023, 2024 and 2025, respectively, and we may continue to have net current liabilities in the future. We had net cash outflow from operating activities of \$20.7 million and \$48.2 million 2023 and 2024, respectively, while we generated net cash inflow from operating activities of \$6.2 million in 2025. We may experience negative cash flows from operating activities in the future.

We expect our costs and expenses, especially our selling and marketing expenses, to increase as we expand our operations. Our ability to achieve and maintain profitability and positive cash flow from operating activities depends on various factors, including but not limited to, the acceptance of our products by customers, the growth and maintenance of our customer base, our ability to control our costs and expenses and grow our revenues and the effectiveness of our selling and marketing activities. We may not be able to achieve or sustain profitability or positive cash flow from operating activities, and if we achieve positive operating cash flow, it may not be sufficient to satisfy our anticipated capital expenditures and other cash needs. As such, we may not be able to fund our operating expenses and expenditures and may be unable to fulfill our financial obligations as they become due, which may result in voluntary or involuntary dissolution or liquidation proceeding of our Company and a total loss of your investment.

Historically, we have financed our operations to date primarily with proceeds from the issuance of our preferred shares and the net proceeds of our initial public offering and subsequent private placements, bank loans and cash inflow from operating activities. As of December 31, 2025, we had approximately \$25.9 million in cash and cash equivalents and restricted cash. We expect that our existing cash and cash equivalents and restricted cash will be sufficient to fund our capital requirements for at least the next 12 months. However, we may need to raise additional capital to fund our continued operations. We cannot be certain that additional funding will be available on acceptable terms, or at all. Our failure to obtain sufficient capital on acceptable terms, or at all, could significantly harm our business, financial condition and prospects.

***We may rely on dividends and other distributions on equity paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.***

LightInTheBox Holding Co., Ltd. is a holding company incorporated in the Cayman Islands. We may rely on dividends and other distributions on equity paid by our subsidiaries, including subsidiaries in Singapore, Hong Kong, mainland China, the United States and Netherlands, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If these subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

The PRC laws and regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. Additionally, if our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us.

As we generate all of our revenue from countries outside of the PRC, we do not expect to rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. To the extent cash or assets in our business is in mainland China or Hong Kong or in our PRC subsidiaries or Hong Kong subsidiaries, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations by the PRC government on our and our subsidiaries' ability to transfer cash or assets. Any limitation on the ability of our PRC subsidiaries or Hong Kong subsidiaries to transfer cash or distribute dividends or other payments to their respective shareholders could materially and adversely limit our operations and transformation, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business. Although currently there are no equivalent or similar restrictions or limitations in Hong Kong on cash transfers in, or out of, Hong Kong or our Hong Kong subsidiaries, if certain restrictions or limitations in mainland China were to become applicable to cash transfers in and out of Hong Kong or our Hong Kong subsidiaries in the future, the funds in Hong Kong or in our Hong Kong subsidiaries, likewise, may not be available to fund operations or for other use outside of Hong Kong. Cash transfers from our Hong Kong subsidiaries to LightInTheBox Holding Co., Ltd. or our other subsidiaries are subject to tax obligations imposed by Hong Kong laws to the extent applicable.

***Our business is subject to the laws of various jurisdictions, many of which are unsettled and still developing and could subject us to claims or otherwise harm our business.***

As we sell our products to more than 100 countries, we are subject to a variety of laws in various jurisdictions, including Singapore, the United States, the EU, the PRC, Hong Kong and other jurisdictions, including but not limited to laws and regulations regarding data retention, privacy and consumer protection, that are continuously evolving and developing.

The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement and other theories based on the nature and content of the materials searched, the advertisements posted, or the content provided by users. It is also likely that as our business evolves and our solutions are used in a greater number of countries, we will become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws will be applied to our business and the new laws which we may become subject to.

As we continue to offer products around the world, we may, from time to time, be subject to actual and threatened claims, litigation, reviews, investigations, and other proceedings, including proceedings instituted by governments and regulatory authorities. Such proceedings may be arising from or in connection with a wide range of issues, including intellectual property infringement claims, contract disputes involving third-party suppliers and consumers of our platforms, consumer protection claims, claims relating to data and privacy protection, employment related cases, cross-border payment and settlement disputes and other matters in the ordinary course of our business. We believe some of these lawsuits are without merit, however, there is uncertainty regarding the timing or ultimate resolution of these lawsuits and legal proceedings in which we are involved. In addition, although we impose contractual terms with suppliers that are intended to prohibit sales of products that might subject us to such claims, we may not be able to detect, enforce, or collect sufficient damages for breaches of such agreements. Also, as a public company, we might be subject to securities class actions. We anticipate that we will continue to be subject to legal, regulatory and/or administrative proceedings in the future incidental to our ordinary course of business. There can be no assurance that we will be able to prevail in our defense or reverse any unfavorable judgment, ruling or decision against us. We may also decide to enter into settlements that may adversely affect our results of operations and financial condition. The litigation process may take a long time, and utilize a material portion of our cash resources and divert management's attention away from the day-to-day operations of our company, all of which could harm our business.

As we continue to maintain an international operation, we are subject to litigation or regulatory proceedings in various jurisdictions including the EU, UK, US and Singapore, etc. We are required to maintain a representative office for our operations in Europe and there is no guarantee that our agreements with our representatives will be sufficient to satisfy the regulatory requirements. In addition, we may be prohibited by laws, regulations or government authorities in one jurisdiction from complying with subpoenas, orders or other requests from courts or regulators of other jurisdictions. Our failure or inability to comply with the subpoenas, orders or requests could subject us to fines, penalties or other legal liability, which could have a material adverse effect on our reputation, business, results of operations and the trading price of our ordinary shares and/or ADSs.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain solutions. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise negatively impact our business. Any costs incurred as a result of this potential liability could harm our business, financial condition and results of operations.

***The PRC government may intervene or exert influence on our operations at any time, which could result in a material adverse change in our operations and the value of our ADSs and ordinary shares.***

The PRC government has significant authority to intervene or exert influence on the business operations conducted in mainland China, Hong Kong and Macau in various aspects at any time, which could result in a material adverse change in our operations and the value of our ADSs and ordinary shares. In particular, the operational risks associated with being based in and having operations in mainland China may also apply to operations in the special administrative regions of Hong Kong and Macau. With respect to the legal risks associated with being based in and having operations in mainland China, the laws, regulations and the discretion of the governmental authorities in mainland China discussed in this annual report are expected to apply to entities and businesses in mainland China, rather than entities or businesses in Hong Kong and Macau which operate under different sets of laws from mainland China. However, the legal risks associated with being based in and having operations in mainland China could apply to the operations in Hong Kong and Macau, if the laws, regulations and the discretion of the governmental authorities in mainland China become applicable to entities and businesses in Hong Kong and Macau in the future. Therefore, uncertainties in the laws and regulations of mainland China from time to time and the interpretation and enforcement of the laws and regulations of mainland China could limit the legal protection available to you and us, hinder our ability to offer or continue to offer the ADSs, result in a material adverse effect on our business operations, and affect our reputation, which might further cause the ADSs to significantly decline in value or become worthless. Changes in the economic, political or social conditions, or government policies of mainland China could materially and adversely affect our business, financial condition, and results of operations.

We cannot predict whether the resulting changes will have any adverse effect on our current or future business, financial condition or results of operations. Despite these economic reforms and measures, the PRC government continues to play a significant role in regulating industrial development, allocation of natural and other resources, production, pricing and management of currency, and there can be no assurance that the PRC government will continue to pursue a policy of economic reform or that the direction of reform will continue to be market friendly. Our ability to successfully support our business operations outside mainland China through our subsidiaries in mainland China depends on a number of factors, including macro-economic and other market conditions. Our business, financial condition and results of operations may be materially and adversely affected by the following factors:

- changes in political or social conditions of mainland China;
- changes in laws, regulations, and administrative directives or the interpretation thereof;
- measures which may be introduced to control inflation or deflation; and
- changes in the rate or method of taxation.

In addition, the PRC government has recently indicated that it may exert more oversight and control over offerings that are conducted overseas by or foreign investment in China-based issuers which may significantly limit or completely hinder our ability to offer or continue to offer securities and cause the value of such securities to significantly decline or be worthless. For example, on July 6, 2021, the PRC government authorities published the Opinions on Strictly Cracking down on Securities-related Illegal Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the establishment of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. On December 28, 2021, the CAC promulgated the Cybersecurity Review Measures, which came into effect on February 15, 2022. According to the Cybersecurity Review Measures, (i) critical information infrastructure operators that purchase network products and services and internet platform operators that conduct data processing activities shall be subject to cybersecurity review in accordance with the Cybersecurity Review Measures if such activities affect or may affect national security; and (ii) internet platform operators holding personal information of more than one million users and seeking to have their securities listed on a stock exchange in a foreign country are required to file for cybersecurity review with the Cybersecurity Review Office. On February 17, 2023, the CSRC released the Trial Measures, which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to offer or list securities overseas, whether directly or indirectly, should fulfill the filing procedures and report relevant information to the CSRC within three working days after submitting listing applications and subsequent amendments.

Since these regulations are relatively new and remain unclear on how they will be interpreted, amended and implemented by the PRC government authorities, it remains uncertain whether we can obtain the specific regulatory approvals from, or complete the required filings with the CSRC, CAC or any other PRC government authorities for our future securities offering or for foreign investment in China-based issuers in a timely basis or at all. If we are unable to obtain such approvals or complete such filings, or such approvals or filings are rescinded even if obtained, our ability to offer or continue to offer securities to investors will be significantly limited or completely hindered and the value of such securities may be significantly declined or become worthless. In addition, implementation of industry-wide regulations directly targeting our operations could result in adverse effect on the value of our securities. Therefore, investors of our Company and our business face potential uncertainty from actions taken by the PRC government affecting our business and operations.

***We may be required to obtain approval in the future and may be denied permission from the authorities of mainland China to list on U.S. exchanges, we may not be able to continue listing on U.S. exchange, which could have a material adverse effect on our business, financial condition and results of operations as well as the trading price of the ADSs.***

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the China Securities Regulatory Commission, or the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, restrictions or limitations on our ability to pay dividends outside of mainland China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures regulate both direct and indirect overseas offering and listing by PRC domestic companies by adopting a filing-based regulatory regime. Pursuant to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, whether directly or indirectly, should fulfill the filing procedures and report relevant information to the CSRC within three working days after submitting listing applications and subsequent amendments. According to the Notice on the Administrative Arrangements for the Filing of the Overseas Securities Offering and Listing by Domestic Companies from the CSRC, or the CSRC Notice, the domestic companies that have already been listed overseas before the effective date of the Overseas Listing Trial Measures (i.e. March 31, 2023) shall be deemed to be existing issuers (the "Existing Issuers"). Existing Issuers are not required to complete the filing procedures immediately, and they shall be required to file with the CSRC for any subsequent offerings. Further, according to the CSRC Notice, domestic companies that have obtained approval from overseas regulatory authorities or securities exchanges (for example, the effectiveness of a registration statement for offering and listing in the U.S. has been obtained) for their overseas offering and listing prior March 31, 2023 but have not yet completed their overseas issuance and listing, are granted a six-month transition period from March 31, 2023 to September 30, 2023. Those that complete their overseas offering and listing within such six-month period are deemed to be Existing Issuers and are not required to file with the CSRC for their overseas offerings and listings. Within such six-month transition period, however, if such domestic companies fail to complete their overseas issuance and listing, they shall complete the filing procedures with the CSRC. Since we listed our ordinary share on the NYSE prior to March 31, 2023, we are not required to make the filing with the CSRC pursuant to the Overseas Listing Trial Measures. We might be required, however, to file with the CSRC for any subsequent offerings. Given the current regulatory environment of mainland China, it is uncertain whether we or will be required to obtain approvals from the government of mainland China to offer securities to foreign investors in the future, and whether we would be able to obtain such approvals.

On February 24, 2023, the CSRC and other PRC governmental authorities jointly issued the revised Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "Revised Confidentiality Provisions"), which came into effect on March 31, 2023. According to the Revised Confidentiality Provisions, Chinese companies that directly or indirectly conduct overseas offerings and listings, shall strictly abide by the laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, materials to securities services providers. As the Revised Confidentiality Provisions has not been enacted for a long time, the interpretation and implementation remain substantially uncertain.

As of the date of this annual report, we have not received any inquiry, notice, warning, or sanctions from the PRC government authorities in connection with the Opinions. However, it is uncertain when and whether the Company will be required to obtain permission from the PRC government to remain listed on U.S. exchanges in the future, and even when such permission is obtained, whether it will be rescinded in the future. We have been closely monitoring the development in the regulatory landscape in the PRC, particularly regarding the requirement of approvals, including on a retrospective basis, from the CSRC or other PRC authorities, as well as regarding any annual data security review or other procedures that may be imposed on us. If any approval, review or other procedure is in fact required, we are not able to guarantee that we will obtain such approval or complete such review or other procedure timely or at all. For any approval that we may be able to obtain, it could nevertheless be revoked and the terms of its issuance may impose restrictions on our operations and offerings relating to our securities. Any uncertainties and/or negative publicity regarding such approval requirement could have a material adverse effect on the trading price of the ADSs.

***Uncertainties with respect to the interpretation and enforcement of laws, and changes in laws and regulations in mainland China could materially and adversely affect us.***

The operations of our PRC subsidiaries are governed by the laws and regulations of mainland China. The legal system of mainland China is a civil law system based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. The interpretation and application of laws and regulations of mainland China including, but not limited to, the laws and regulations governing our business and the enforcement and performance of our business arrangements in certain circumstances, will be determined on an ad hoc basis depending on the facts and circumstances. Laws and regulations are generally not exhaustive and the government authorities have a certain degree of discretion within their scope of authority to interpret and enforce such laws and regulations, and we may not accurately predict the results of their official interpretation and enforcement; these laws and regulations are subject to change in the future and there may be limited advance notice of such changes before they become effective or we may not have the opportunity to address such newly promulgated regulatory requirements in a timely manner. The effectiveness and interpretation of newly enacted laws or regulations, including amendments to existing laws and regulations, may be delayed, and our business may be affected if we rely on laws and regulations which are subsequently adopted or interpreted in a manner different from our current understanding of these laws and regulations. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. We cannot predict what effect the interpretation of existing or new laws or regulations of mainland China may have on our business.

Since late 1970s, the government of mainland China has been developing a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past several decades has significantly enhanced the protections afforded to various forms of foreign investments in mainland China. However, recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in mainland China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the legal system of mainland China is based in part on government policies and rules, some of which may have a retroactive effect. In view of the fact that we may be unable to be aware of or foresee some regulations, policies, and internal rules, along with their possible occasional adjustments, we may not become aware of our violation of these policies and rules until sometime after the violation has occurred. Any administrative and court proceedings in mainland China or any jurisdiction where we operate our business may result in additional costs and diversion of resources and management attention. However, since administrative and court authorities have the right to exercise conclusive discretion and judgment in interpreting and implementing statutory and contractual terms, depending on the facts and circumstances, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may also impede our ability to enforce the contracts we have entered into. As a result, these uncertainties could materially and adversely affect our business and results of operations.

***Failure to protect confidential information of our customers and our network against security breaches could damage our reputation and substantially harm our business and results of operations.***

As we sell our products globally, we are subject to consumer protection and data protection laws and regulations of various jurisdictions. Countries where we have business operations have implemented laws and regulations to provide consumer protection in data security and privacy. In particular, states in the U.S. where we operate our business such as California have implemented laws to prevent any unfair, deceptive, or abusive acts or practices in commercial activities. EU data privacy law, such as the General Data Protection Regulation (GDPR), also imposes strict rules on commercial use of personal data, data storage, data profiling and transfer personal data to countries outside the EU, including the U.S., and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. We deal with large amount of customer data in our daily operations due to our online sales business. Compliance with these requirements might require us to take technical and organizational measures on collection, use, disclosure, retention, personal data on our website, and the compliance with such laws and regulations could increase our compliance costs and adversely affected our business and financial results. In addition, we might be subject to judicial proceedings in these areas, which could materially negatively and adversely impact our business.

In addition, a significant challenge to online commerce and communications is the secure transmission of confidential information over public networks. Currently, product orders and payments for products we offer are made through our websites and mobile applications. Moreover, online payments for our products are settled through third-party electronic platforms. In such transactions, maintaining complete security for the transmission of confidential information, such as our customers' credit card information, personal information and billing addresses, on our websites and mobile applications are essential to maintain customers' confidence. We have no control over the security measures of third-party electronic payment service providers. We also hold certain other private information about our customers, such as their names, addresses, phone numbers and browsing and purchasing records, except for the credit card information.

We may not be able to prevent third parties, such as hackers or criminal organizations, from stealing information provided by our customers to us through our websites and mobile applications. Furthermore, our third-party logistics and payment service providers may accidentally or purposefully disclose information about our customers. We may also accidentally disclose such information due to employee negligence.

Significant capital and other resources may be required to protect against security breaches or to alleviate problems caused by such breaches. The methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Even if we successfully adapt to and prevent new security breaches, any perception by the public that online commerce and transactions are becoming increasingly unsafe could inhibit the growth of e-commerce and other online services generally, which, in turn, may reduce the number of purchase orders we receive. Any compromise of our security or third-party service providers' security could materially and adversely affect our reputation, business, prospects, financial condition and results of operations.

***Substantial uncertainties exist with respect to the changes in laws or regulations relating to privacy, cybersecurity or data protection in the jurisdictions our business is subject to, as well as any impact it may have on our business operations.***

As we sell our products to more than 100 countries, we are subject to cybersecurity laws and regulations in various jurisdictions, that are continuously evolving and developing. Countries where we have significant business operations, including the U.S., EU and PRC, have implemented laws and regulations in privacy, cybersecurity and data protection, including but not limited to the GDPR, the CCPA, the HIPAA, national privacy laws of EU member states and other laws relating to privacy, data protection, and cloud computing. These laws are evolving rapidly, as exemplified by the recent adoption by the European Commission of the new cybersecurity regulation laying down measures for a high common level of cybersecurity at the institutions, bodies, offices and agencies of the European Union entered into force on January 7, 2024 (the "Regulation").

The Regulation lays down measures for the establishment of an internal cybersecurity risk management, governance and control framework for each EU entity, and sets up a new Interinstitutional Cybersecurity Board (IICB) to monitor and support its implementation by EU entities. The Regulation establishes a framework for ensuring common cybersecurity rules and measures among the EU institutions, bodies and agencies, aiming to support detection and awareness of significant or large-scale cybersecurity threats and incidents. Following the timeline defined in the Regulation, the EU entities will establish internal cybersecurity governance processes and will progressively put in place specific cybersecurity risk management measures foreseen by the Regulation. The IICB will be set up and will become operational as soon as possible, with the objective to ensure the strategic steering to Cybersecurity Service for the EU institutions, bodies, offices and agencies (CERT-EU) under its extended mandate, provide guidance and support to the EU entities and monitor the implementation of the Regulation. The laws and regulations to be adopted by the EU entities that might be applicable to us remains uncertain.

Further, in EU, the GDPR, which came into effect on May 25, 2018, includes operational requirements for companies that receive or process personal data of residents of the European Economic Area. The GDPR establishes new requirements applicable to the processing of personal data, affords new data protection rights to individuals and imposes penalties for serious data breaches. Individuals also have a right to compensation under the GDPR for financial or non-financial losses. Complying with these laws and contractual or other obligations relating to privacy, data protection, data transfers, data localization, or information security may require us to incur substantial operational costs or modify our data practices and policies. Any actual or perceived failure by us to comply with these laws, regulations, or other obligations may lead to significant fines, penalties, regulatory investigations, lawsuits, significant costs for remediation, damage to our reputation, or other liabilities.

In the United States, rules and regulations governing data privacy and security include those promulgated under the authority of the Federal Trade Commission Act, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the CCPA and California Privacy Rights Act of 2020 (“CPRA”), and other state and federal laws relating to privacy, consumer protection, and data security. The CCPA and CPRA introduce new requirements regarding the handling of personal information of California consumers and households, including compliance and record keeping obligations, the right to request access to and deletion of their personal information, and the right to opt out of the sale and other uses of their personal information, and provides a private right of action and statutory damages for data breaches. Other jurisdictions in the United States are beginning to expand existing regulations, or propose laws similar to the CCPA, which will continue to shape the data privacy environment nationally. Aspects of certain newly enacted state privacy statutes remain unclear, resulting in further legal uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply. If more stringent privacy legislation arises in the United States, it could increase our potential liability and adversely affect our business, results of operations, and financial condition.

In the PRC, the regulatory and enforcement regime relating to data security and data protection is evolving and may be subject to different interpretations or substantive changes. On July 1, 2015, the Standing Committee of the National People’s Congress issued the National Security Law, which came into effect on the same day. On November 7, 2016, the Standing Committee of the National People’s Congress issued the Cyber Security Law, which came into effect on June 1, 2017, and was later amended on October 28, 2025. This is the first Chinese law that focuses exclusively on cyber security. In June 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law, effective September 1, 2021. In July 2021, the state council of the PRC promulgated the Regulations on the Protection of Critical Information Infrastructure, effective September 1, 2021. On September 24, 2024, the State Council issued the Regulations on Network Data Security Management, effective January 1, 2025. In addition to the currently effective laws and regulations described above, PRC authorities may adopt additional laws and regulations in the future that further heighten the regulation of data security.

These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in interpretation or enforcement, and may be inconsistent from one jurisdiction to another. There are uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice. Complying with applicable laws and regulations relating to data security and personal information protection may be costly and result in additional expenses to us, and any material failure to do so may subject us to negative publicity, harm our reputation and business operations, limit our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline.

***Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks.***

Governments and public advocacy groups have been increasingly focused on environment, social and governance (“ESG”) issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and governmental entities on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition, and the price of our ADSs could be materially and adversely effected.

***The labor contract law and its implementation regulations may increase our operating expenses and may materially and adversely affect our business, financial condition and results of operations.***

Relevant labor laws have been enforced and the interpretation and implementation of these laws and regulations are still evolving, substantial uncertainty remains as to its potential impact on our business, financial condition and results of operations. See “Item 4. Information on the Company—B. Business Overview— Regulation—Labor Laws.” The laws and regulations may increase our operating expenses, in particular our human resources costs and our administrative expenses.

In addition, as the interpretation and implementation of these regulations are still evolving, we cannot assure you that our employment practices will at all times be deemed to be in full compliance with the law. In the event that we decide to significantly modify our employment or labor policy or practice, or reduce the number of our employees, the labor contract law may limit our ability to effectuate the modifications or changes in the manner that we believe to be most cost-efficient or otherwise desirable, which could materially and adversely affect our business, financial condition and results of operations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and results of operations may be adversely affected. In the event that we decide to significantly modify our employment or labor policy or practice, or reduce the number of our sales professionals, the labor contract law may limit our ability to effectuate the modifications or changes in the manner that we believe to be most cost-efficient or otherwise desirable, which could materially and adversely affect our business, financial condition and results of operations.

***Taxation risks could materially and adversely affect our business and financial condition.***

The imposition of indirect taxes, such as sales and use tax, value-added tax, goods and services tax, and business tax is a complex and evolving issue. Many of the statutes and regulations that govern these taxes were established before the expansion of the Internet commerce. In many cases, it is not clear how existing statutes apply to e-commerce. In addition, we may become subject to new regulations as regional and national governments may impose new tax laws or revise existing tax laws, especially with regards to Internet sales.

Levy of indirect taxes may increase the costs of our products to our customers and reduce our competitive advantage over our competitors that do not collect such sales taxes. The imposition by regional or national governments of various taxes upon Internet commerce could create administrative burdens for us, place us at a competitive disadvantage if they do not impose similar obligations on all of our online competitors and decrease our future product sales. A successful assertion by one or more foreign countries that we should collect sales or other taxes on the sale of merchandise or services could result in substantial tax liabilities for past product sales, decrease our competitiveness with local retailers, materially and adversely affect our business, financial condition and results of operations. In addition, we may be required to incorporate corporate entities in different jurisdictions around the world in order to deliver our products to such jurisdictions, which may have uncertain tax implications.

***Fluctuations in currency exchange rates may make us less competitive and may make our future prospects uncertain and difficult to evaluate, and may materially and adversely affect our business, financial condition and results of operations.***

We are exposed to fluctuations in foreign currency exchange rates. We sell to customers in over 100 countries and territories. Our customers pay for our products and we pay costs and expenditures in various currencies, but we report our financial results in U.S. dollars and, as a result, our financial results may be impacted by fluctuations in foreign currency exchange rates. If the U.S. dollar appreciates against foreign currencies, our translation of foreign currency denominated transactions will result in lower total revenues, operating expenses and net income. As we are deepening our penetration of geographic markets globally, our exposure to exchange rate fluctuations has increased. We have no hedges against currency risk. Fluctuations in foreign currency exchange rates could significantly impact our financial results, which may result in an impact on our share price.

Our costs and expenses are settled in various currencies including U.S. dollars, Euros, Great Britain Pounds, Renminbi, Singapore dollars, etc. As a result, there are exchange of currencies between cash received and paid and may cause exchange gain or loss. We have no hedges against currency risk. Consequently, any increase in the value of these currencies against the others may reduce our margins, reduce our competitiveness against companies who source their products from suppliers with costs denominated in other currencies or render us unable to meet our costs.

***We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.***

We regard our trademarks, service marks, domain names, trade secrets, proprietary technologies and similar intellectual property critical to our success and we currently rely on a mix of trademark law, trade secret protection, confidentiality and license agreements with our employees, suppliers, partners and others to protect our proprietary rights. Our trademarks and service marks may be invalidated, circumvented or challenged. Trade secrets are difficult to protect and our trade secrets may be leaked or otherwise become known or be independently discovered by competitors. Confidentiality agreements may be breached and we may not have adequate remedies for any breach. Third parties may also infringe our intellectual property rights and damage our market reputation by counterfeiting our platform.

It is often difficult to create and enforce intellectual property rights in certain geographic regions where we operate. Even where adequate laws exist in these regions, it may not be possible to obtain swift and equitable enforcement of such laws, or to obtain enforcement of a court judgment or an arbitration award delivered in another jurisdiction and, accordingly, we may not be able to effectively protect our intellectual property rights or enforce agreements in certain geographic regions where we operate. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we have taken may be inadequate to prevent the misappropriation of our technologies.

***We are exempted from certain corporate governance requirements of the New York Stock Exchange.***

We are exempted from certain corporate governance requirements of the New York Stock Exchange by virtue of being a foreign private issuer. We are required to provide a brief description of the significant differences between our corporate governance practices and the corporate governance practices required to be followed by U.S. domestic companies under the New York Stock Exchange. The standards applicable to us are considerably different than the standards applied to U.S. domestic issuers. For instance, we are not required to:

- have a majority of the board of directors be independent (other than due to the requirements for the audit committee under the Exchange Act);
- have a minimum of three members in our audit committee;
- have a compensation committee, a nominating or corporate governance committee;
- have regularly scheduled executive sessions with only independent directors;
- have executive session of solely independent directors each year; or
- adopt and disclose a code of business conduct and ethics for directors, officers and employees.

We have relied on and intend to continue to rely on some of these exemptions. As a result, you may not be provided with the benefits of certain corporate governance requirements of the New York Stock Exchange.

## Risks Related to Our Corporate Structure

### ***Our adjustment of corporate structure and business operations and the unwinding of the VIEs may not be liability-free.***

We cannot assure you that the disposal of the affiliated entities and unwinding of the related VIE structures in the PRC will not give rise to dispute or liability, or that such disposal, unwinding and discontinuation of operations will not adversely affect our overall results of operations and financial condition. We cannot guarantee that we will not continue to be subject to PRC regulatory inspection and/or review, especially when there remains significant uncertainty as to the scope and manner of the regulatory enforcement. If we become subject to regulatory inspection and/or review by the CSRC, the CAC or other PRC authorities, or are required by them to take any specific actions, it could cause suspension or termination of the future offering of our securities, disruptions to our operations, result in negative publicity regarding our company, and divert our managerial and financial resources.

### ***Our subsidiaries or the holding company may be required to obtain approval in the future and may be denied permission from Chinese authorities to list on U.S. exchanges, we may not be able to continue listing on U.S. exchange, which could have a material adverse effect on our business, financial condition and results of operations as well as the trading price of the ADSs.***

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the China Securities Regulatory Commission, or the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures regulate both direct and indirect overseas offering and listing by PRC domestic companies by adopting a filing-based regulatory regime. Pursuant to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, whether directly or indirectly, should fulfill the filing procedures and report relevant information to the CSRC within three working days after submitting listing applications and subsequent amendments. According to the Notice on the Administrative Arrangements for the Filing of the Overseas Securities Offering and Listing by Domestic Companies from the CSRC, or the CSRC Notice, the domestic companies that have already been listed overseas before the effective date of the Overseas Listing Trial Measures (i.e. March 31, 2023) shall be deemed to be existing issuers (the "Existing Issuers"). Existing Issuers are not required to complete the filing procedures immediately, and they shall be required to file with the CSRC for any subsequent offerings. Further, according to the CSRC Notice, domestic companies that have obtained approval from overseas regulatory authorities or securities exchanges (for example, the effectiveness of a registration statement for offering and listing in the U.S. has been obtained) for their overseas offering and listing prior March 31, 2023 but have not yet completed their overseas issuance and listing, are granted a six-month transition period from March 31, 2023 to September 30, 2023. Those that complete their overseas offering and listing within such six-month period are deemed to be Existing Issuers and are not required to file with the CSRC for their overseas offerings and listings. Within such six-month transition period, however, if such domestic companies fail to complete their overseas issuance and listing, they shall complete the filing procedures with the CSRC. Since we listed our ordinary share on the NYSE prior to March 31, 2023, we are not required to make the filing with the CSRC pursuant to the Overseas Listing Trial Measures. We shall be required, however, to file with the CSRC for any subsequent offerings. Given the current PRC regulatory environment, it is uncertain whether we or our PRC subsidiaries will be required to obtain approvals from the PRC government to offer securities to foreign investors in the future, and whether we would be able to obtain such approvals.

On February 24, 2023, the CSRC and other PRC governmental authorities jointly issued the revised Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the “Revised Confidentiality Provisions”), which came into effect on March 31, 2023. According to the Revised Confidentiality Provisions, Chinese companies that directly or indirectly conduct overseas offerings and listings, shall strictly abide by the laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, materials to securities services providers. As the Revised Confidentiality Provisions has not been enacted for a long time, the interpretation and implementation remain substantially uncertain.

As of the date of this annual report, we have not received any inquiry, notice, warning, or sanctions from the PRC government authorities in connection with the Opinions. However, it is uncertain when and whether the Company will be required to obtain permission from the PRC government to remain listed on U.S. exchanges in the future, and even when such permission is obtained, whether it will be rescinded in the future. We have been closely monitoring the development in the regulatory landscape in the PRC, particularly regarding the requirement of approvals, including on a retrospective basis, from the CSRC, the CAC or other PRC authorities, as well as regarding any annual data security review or other procedures that may be imposed on us. If any approval, review or other procedure is in fact required, we are not able to guarantee that we will obtain such approval or complete such review or other procedure timely or at all. For any approval that we may be able to obtain, it could nevertheless be revoked and the terms of its issuance may impose restrictions on our operations and offerings relating to our securities. Any uncertainties and/or negative publicity regarding such approval requirement could have a material adverse effect on the trading price of the ADSs.

***We may be deemed a PRC resident enterprise under the New EIT Law and be subject to PRC taxation on our income.***

Under the Enterprise Income Tax Law of the PRC, or the New EIT Law, which was issued in 2007 and amended in 2017 and 2018, and its implementation rules which were issued in 2007, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” The State Administration of Taxation, or the SAT, issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, on April 22, 2009. Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in China. Further to Circular 82, on July 27, 2011, the SAT issued the Administrative Measures of Enterprise Income Tax of Chinese-controlled Offshore Incorporated Resident Enterprises (Trial), or Bulletin No. 45, which took effect on September 1, 2011, to provide more guidance on the implementation of Circular 82. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Tax—PRC Taxation.”

According to Circular 82, a Chinese-controlled offshore-incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions set forth in Circular 82 are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. In addition, Bulletin No. 45 provides clarification on the resident status determination, post-determination administration and competent tax authorities. It also specifies that when provided with a copy of a PRC resident determination certificate from a resident Chinese-controlled offshore-incorporated enterprise, the payer should not withhold 10% income tax when paying certain Chinese-sourced income such as dividends, interest and royalties to the Chinese-controlled offshore-incorporated enterprise.

Although both the circular and the bulletin only apply to offshore enterprises controlled by PRC enterprises and not those by PRC individuals, the determination criteria set forth in the circular and administration clarification made in the bulletin may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax residency status of offshore enterprises and the administration measures should be implemented, regardless of whether they are controlled by PRC enterprises or PRC individuals.

Although we do not believe that our legal entities organized outside of the PRC constitute PRC resident enterprises or meet all of the conditions above, it is possible that the PRC tax authorities could reach a different conclusion. In such case, we may be considered a resident enterprise and may therefore be subject to enterprise income tax at a rate of 25% on our global income. If we are considered a resident enterprise and earn income other than dividends from our PRC subsidiary, a 25% enterprise income tax on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

As uncertainties remain regarding the interpretation and implementation of the New EIT Law and its implementation rules, we cannot assure you that if we are regarded as a PRC resident enterprise, any dividends to be distributed by us to our non-resident enterprise shareholders and ADS holders would not be subject to any PRC withholding tax at a rate of up to 10%. Similarly, any gain recognized by such non-resident enterprise shareholders or ADS holders on the sale of shares or ADSs, as applicable, may also be subject to PRC withholding tax. Furthermore, if we are considered a PRC resident enterprise and the competent PRC tax authorities consider dividends we pay with respect to our shares or ADSs and the gains realized from the transfer of our shares or ADSs to be income derived from sources within the PRC, such dividends and gains earned by non-resident individuals may be subject to PRC individual income tax at a rate of 20%, unless any such non-resident individuals' jurisdiction has a tax treaty with China that provides for a preferential tax rate or a tax exemption. It is also unclear whether, if we are considered a PRC resident enterprise, holders of our shares or ADSs would be able to claim the benefit of income tax treaties or agreements entered into between the PRC and other countries or areas. If we are required under PRC law to withhold PRC income tax on our dividends payable to our non-PRC shareholders and ADS holders, or the PRC authorities tax gain recognized by such non-PRC shareholders or ADS holders, such investors' investment in our ordinary shares or ADSs may be materially and adversely affected.

### **Risks Related to the ADSs**

***Although the audit report included in this annual report is prepared by U.S.-based auditors who are subject to PCAOB inspections on a regular basis, there is no guarantee that future audit reports will be prepared by auditors inspected by the PCAOB and, as such, in the future investors may be deprived of the benefits of such inspection. Furthermore, trading in our ADSs may be prohibited under the HFCAA if the SEC subsequently determines our audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely, and as a result, the NYSE, may determine to delist our ADSs. The delisting of our ADSs, or the threat of their being delisted, may have a material adverse impact on our listing and trading in the U.S. and the trading prices of our ADSs.***

The HFCAA was enacted on December 18, 2020. The HFCAA states if the SEC determines that a company has filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit such shares from being traded on a national securities exchange or in the over-the-counter trading market in the U.S.

On March 24, 2021, the SEC adopted interim final rules relating to the implementation of certain disclosure and documentation requirements of the HFCAA. A company will be required to comply with these rules if the SEC identifies it as having a "non-inspection" year under a process to be subsequently established by the SEC. The SEC is assessing how to implement other requirements of the HFCAA, including the listing and trading prohibition requirements described above. The PCAOB issued the 2021 Determinations on December 16, 2021 which found that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in: (1) mainland China of the People's Republic of China because of a position taken by one or more authorities in mainland China; and (2) Hong Kong, a Special Administrative Region and dependency of the PRC, because of a position taken by one or more authorities in Hong Kong. Furthermore, the 2021 Determinations identified the specific registered public accounting firms which are subject to these determinations ("PCAOB Identified Firms").

On December 15, 2022, the PCAOB board announced that it has completed the inspections, determined that it had complete access to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, and voted to vacate the 2021 Determinations.

On December 29, 2022, the AHFCAA, was signed into law, which reduced the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two. As a result, the risks mentioned above have been heightened.

If our ADSs are subject to a trading prohibition under the HFCAA or the AHFCAA, the price of our ADSs may be adversely affected, and the threat of such a trading prohibition would also adversely affect their price. If we are unable to be listed on another securities exchange that provides sufficient liquidity, such a trading prohibition may substantially impair your ability to sell or purchase our ADSs when you wish to do so. Furthermore, if we are able to maintain a listing of our ordinary shares on a non-U.S. exchange, investors owning our ADSs may have to take additional steps to engage in transactions on that exchange, including converting ADSs into ordinary shares and establishing non-U.S. brokerage accounts.

The Company's current auditor, Marcum Asia CPAs LLP, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the U.S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Marcum Asia CPAs LLP, whose audit report is included in this annual report, is headquartered in New York and, as of the date of this annual report, was not included in the list of PCAOB Identified Firms in the 2021 Determinations.

Despite that we have a U.S.-based auditor that is registered with the PCAOB and subject to PCAOB inspection, there are still risks to the Company and investors if it is later determined that the PCAOB is unable to inspect or investigate completely our auditor because of a position taken by an authority in a foreign jurisdiction. Such risks include but are not limited to that trading in our ADSs may be prohibited under the HFCAA and as a result an exchange may determine to delist our ADSs.

***If we cannot meet the continued listing requirements of the New York Stock Exchange, our ADSs may be subject to delisting from the New York Stock Exchange, which would have a material adverse effect on our business, financial condition, prospects and liquidity and value of our ADSs.***

Our ADSs are currently listed on the NYSE, and we are subject to the continued listing requirements of the NYSE Listed Company Manual. In March 2024, we received letters from the NYSE indicating that our Company is "below criteria" due to the average closing price of our ADSs being less than \$1.00 over a consecutive 30 trading day period pursuant to Section 802.01C of the NYSE Listed Company Manual.

On or about September 4, 2024, we effected an ADS ratio change to adjust our ordinary share to ADS ratio from one ADS representing two ordinary shares to one ADS representing twelve ordinary shares. Our ADS price subsequently increased to and remained at a level that was in compliance with Section 802.01C of the NYSE Listed Company Manual.

Further, we received a letter from the NYSE on December 26, 2024, indicating that our Company is "below criteria" due to its average total market capitalization being less than \$50 million over a 30 trading-day period and its stockholders' equity being less than \$50 million pursuant to Section 802.01B of the NYSE Listed Company Manual. The letter has no immediate impact on the listing of our ADSs, which will continue to be listed and traded on the NYSE, subject to compliance with other continued listing requirements of the NYSE Listed Company Manual.

We have not regained compliance with Section 802.01B of the NYSE Listed Company Manual as of the date of this annual report. On March 26, 2025, we submitted a business plan to NYSE that demonstrates compliance with Section 802.01B of the NYSE Listed Company Manual with 18 months of receipt of the letter for their review. On May 13, 2025, our business plan was accepted by the NYSE, and we have until June 26, 2026 to regain compliance. However, there can be no assurance that we will be able to regain compliance with Section 802.01B of the NYSE Listed Company Manual in a timely manner. If we fail to regain compliance, or if we fail to meet the other continued listing requirements of the NYSE Listed Company Manual, we may be subject to delisting.

***The market price for the ADSs has fluctuated and may be volatile.***

The market price for our ADSs has fluctuated since we listed our ADSs. Since our ADSs became listed on the New York Stock Exchange ("NYSE") on June 6, 2013, the trading price of our ADSs have ranged from US\$1.0 to US\$133.26 per ADS and the last reported trading price on March 25, 2026 was US\$2.30 per ADS. In addition to the volatility in the price of the ADSs which could be caused by the materialization of any of the risks described in this section, the securities markets in the United States, China and elsewhere have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our ADSs.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, net earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures;
- announcements of new product and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- potential litigation or regulatory investigations;
- any share repurchase program; and
- detrimental negative publicity about us and our industry.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

***We may need additional capital, and the sale of additional ADSs or other equity securities or incurrence of additional indebtedness could result in additional dilution to our shareholders or increase our debt service obligations.***

Historically, we relied principally on the issuance of our preferred shares, convertible notes and ADRs to fund our operations and capital expansion needs. We may require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may pursue. If our resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity, equity-linked or debt securities or enter into a credit facility. The sale of additional equity securities could result in additional dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all.

***Substantial future sales of the ADSs in the public market, or the perception that these sales could occur, could cause the price of the ADSs to decline.***

Additional sales of our ordinary shares in the public market, or the perception that these sales could occur, could cause the market price of the ADSs to decline. As of December 31, 2025, we had 217,063,339 ordinary shares outstanding, including 138,184,554 ordinary shares represented by ADSs. All our ordinary shares represented by ADSs were freely transferable by persons other than our “affiliates” without restriction or additional registration under the Securities Act of 1933, as amended, or Securities Act. The remaining ordinary shares will be available for sale subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act.

In addition, certain holders of our ordinary shares have the right to cause us to register the sale of those shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the public market could cause the price of the ADSs to decline.

***You may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.***

Except as described in the deposit agreement, holders of the ADSs are not able to exercise voting rights attaching to the shares evidenced by the ADSs. You have a right to instruct the depository how to exercise those voting rights. However, the depository or its nominee may not successfully comply with your instructions or intentions. You may not receive voting materials in time to instruct the depository to vote, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

***You may not be able to participate in rights offerings and may experience dilution of your holdings as a result.***

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. Under the deposit agreement for the ADSs, the depositary will not offer those rights to ADS holders unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act of 1933, as amended, or the Securities Act, or exempt from registration under the Securities Act with respect to all holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or underlying securities or to endeavor to cause such a registration statement to be declared effective. In addition, we may not be able to take advantage of any exemptions from registration under the Securities Act. Accordingly, holders of the ADSs may be unable to participate in our rights offerings and may experience dilution in their holdings as a result.

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

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

***You may face difficulties in protecting your interests and your ability to protect your rights through the U.S. federal courts may be limited, because we are incorporated under Cayman Islands law, primarily operate our business through our subsidiaries in different countries and a majority of our officers reside outside the United States.***

We are incorporated in the Cayman Islands and primarily conduct our business through our subsidiaries in different countries. Among our directors and officers, Mr. Zhi Yan, Mr. Jian He, Mr. Zhiping Qi, Mr. Zhentao Wang, Mr. Xiongping Yu, Mr. Meng Lian, Ms. Ge Yan, Mr. Wei Yu, Mr. Peng Wu, Mr. Lei Deng, Mr. Bin Shi and Mr. Suhai Ji mainly reside in mainland China while the other directors and officers all reside in the United States and all or a substantial portion of their assets are located outside of the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these persons, or to bring an original action against us or against these individuals in a Cayman Islands, Hong Kong or mainland China court in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands, Hong Kong or mainland China and of the jurisdictions where we operate may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in other jurisdictions. For example, in mainland China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside mainland China. Although the authorities in mainland China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of mainland China. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China may further increase difficulties faced by you in protecting your interests.

There is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States or Hong Kong courts (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final, (d) is not in respect of taxes, a fine or a penalty, and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law or Hong Kong courts if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Act (As Revised) and common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in the United States. In particular, the Cayman Islands have a less developed body of securities laws as compared to the United States, and provide significantly less protection to investors. In addition, shareholders of Cayman Islands companies may not have stand to initiate a shareholder derivative action before the federal courts of the United States. As a result, your ability to protect your interests if you are harmed in a manner that would otherwise enable you to sue in a United States federal court may be limited to direct shareholder lawsuits.

You may also experience difficulties in enforcing judgments of the United States courts obtained against us or our directors or officers in mainland China or Hong Kong as the United States and mainland China or Hong Kong do not have a bilateral treaty or multilateral convention in force on reciprocal recognition and enforcement of judgments. As a result, any United States judgment may only be enforceable in mainland China or Hong Kong provided that the conditions set forth in the laws of these jurisdictions are determined by the courts of mainland China or Hong Kong, as applicable, to have been fulfilled. For details of the limitations relating to the enforceability of civil liabilities, see “Item 6. Directors, Senior Management and Employees—Enforceability of Civil Liabilities.”

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

***We are subject to increased costs as a public company, and our compliance costs may continue to increase in the future.***

As a public company, we have incurred significant legal, accounting and other expenses that we did not have as a private company prior to our initial public offering. In addition, new rules and regulations relating to information disclosure, financial reporting and control and corporate governance, which could be adopted by the Securities and Exchange Commission, or the SEC, the New York Stock Exchange and other regulatory bodies and exchange entities from time to time, could result in a significant increase in legal, accounting and other compliance costs and to make certain corporate activities more time-consuming and costly, which could materially affect our business, financial condition and results of operations.

***We have no present plan to pay dividends in the foreseeable future, and you may only rely on price appreciation of our ADSs for return on your investment.***

Since our inception, we have not declared or paid any dividends on our ordinary shares. Since we intend to retain most, if not all, of our available funds and any future earnings to operate and transform our business, we have no present plan to pay any dividends on our ordinary shares in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Any future determination to pay dividends will be made at the sole discretion of our board of directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay the ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other Than Equity Securities—D. American Depositary Shares.” Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

***We may become a passive foreign investment company, or PFIC, which could result in adverse United States tax consequences to United States investors.***

Based on the composition of our income and assets, and the valuation of our assets, including goodwill, we do not believe that we were a passive foreign investment company (a “PFIC”) for 2025. The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, for any taxable year we will be classified as a PFIC for United States federal income tax purposes if either (i) 75% or more of our gross income in that taxable year is passive income or (ii) the average percentage of our assets by value in that taxable year which produce or are held for the production of passive income (which includes cash) is at least 50%. The calculation of the value of our assets will be based, in part, on the quarterly market value of our ADSs, which is subject to changes. Due to the volatility of the market price of our ADSs, we may become a PFIC in the future. See “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.”

In addition, there is uncertainty as to the treatment of our corporate structure for United States federal income tax purposes. If it is determined that we do not own the stock for United States federal income tax purposes, we may be treated as a PFIC.

If we are a PFIC for any taxable year during which you hold the ADSs or ordinary shares, such characterization could result in adverse United States federal income tax consequences to you if you are a United States Holder, as defined under “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.” For example, if we are or become a PFIC, you may become subject to increased tax liabilities under United States federal income tax laws and regulations, and will become subject to burdensome reporting requirements. See “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.” We cannot assure you that we were not a PFIC for 2025 or that we will not be a PFIC for 2026 or any future taxable year. Moreover, the determination of our PFIC status is based on an annual determination that cannot be made until the close of a taxable year, and involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income we earn, as discussed under “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company.” Our United States counsel expresses no opinion with respect to our PFIC status.

***Our sixth amended and restated memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.***

Our sixth amended and restated memorandum and articles of association contains provisions limiting the ability of others to acquire control of our company or cause us to engage in change-of-control transactions and provisions that could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction.

Furthermore, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADSs or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **A. History and Development of the Company**

We were founded in June 2007 and operated our business through Light In The Box Limited. In March 2008, we incorporated LightInTheBox Holding Co., Ltd., an exempted company incorporated under the laws of the Cayman Islands, which, through a corporate restructuring, became our ultimate holding company.

### **Initial Public Offering**

In June 2013, we completed our initial public offering, in which we offered and sold 19,090,000 ordinary shares in the form of ADSs, raising \$75.0 million in proceeds before expenses to us. Our ADSs are listed on the NYSE under the symbol “LITB.”

### **Private Placement**

In March 2016, we completed the issuance of 42,500,000 ordinary shares to Zall Cross-border E-commerce Investment Company Limited, or Zall E-Commerce, an indirect wholly-owned subsidiary of Zall Smart Commerce Group Ltd., a developer and operator of large-scale consumer-focused product wholesale shopping malls in China, at \$1.80 per ordinary share, which amounted to \$76.5 million in proceeds.

### **Acquisition of Ezbuy**

To supplement our global coverage, on November 8, 2018, we announced our entry into a share purchase agreement to acquire Ezbuy Holding Co., Ltd., or Ezbuy, in the form of convertible promissory notes, or the Notes. Subsequently, from December 2019 to March 2020, we issued a total of 50,699,442 ordinary shares and 19,091,837 ADSs (representing 38,183,674 ordinary shares) in exchange of the Notes held by Ezbuy’s shareholders.

Ezbuy is a Singapore-based cross-border e-commerce company. Founded in 2010, Ezbuy serves more than three million customers in Singapore, Malaysia, Indonesia, Thailand and Pakistan. With the acquisition of Ezbuy, we have expanded our market reach to South and Southeast Asia. The two companies have a number of commonalities in supply chain while differ in target markets. Synergies from such business combination have been achieved and will continue to benefit the operation across a number of areas.

We currently conduct our businesses primarily through the following wholly owned subsidiaries.

- Avant Logistic Service PTE. LTD., Avant E-commerce Service PTE. LTD. and Ching International Service PTE. LTD., our wholly owned subsidiaries incorporated under the laws of Singapore, that primarily focus on the marketing and customer service, warehouse management services and local delivery in Southeast Asia;
- Light In The Box Limited, LT ecommerce Limited (formerly as LightInTheBox International Logistic Co., Limited), Lanting International Holding Limited, Ezbuy Holding Limited, Yourstore Limited (“Yourstore”) and My Wardrobe Limited (“My Wardrobe”), our wholly owned subsidiaries incorporated in Hong Kong, that primarily engage in product sourcing, marketing and the operation of our websites and mobile applications and global distribution network;
- LITB Netherlands B.V., our wholly owned subsidiary incorporated in the Netherlands that primarily engages in marketing in Europe;
- Ador Inc, our wholly owned subsidiary incorporated under the laws of the State of California, the United States that primarily engages in boutique, designing and warehousing; and
- PRC subsidiaries, that primarily engage in providing supplier chain management, research and development, customer service, marketing services, warehousing and fulfillment services to overseas consolidated affiliates.

### **Change in ADS ratio**

In September 2024, we effected an ADS ratio change to adjust our ordinary share to ADS ratio from one ADS representing two ordinary shares to one ADS representing twelve ordinary shares.

Our principal executive offices are located at 4 Pandan Crescent #03-03 Logos eHub, Singapore (128475). Our telephone number at this address is +65 6305 9667. Our registered office in the Cayman Islands is located at the office of Vistra (Cayman) Limited, PO Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. Our telephone number at this address is +1 345 769 9372.

The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our annual report and some of the other information submitted by us to the SEC may be accessed through this website. Our investor relations website is <http://ir.ador.com>. The information contained on our websites is not a part of this annual report.

## **B. Business Overview**

### **Overview**

We are a global e-commerce company, providing a diverse range of affordable lifestyle products directly to consumers worldwide since 2007. Over the years, the Company has built a reputation for offering a wide selection of products at attractive prices through its websites and mobile applications, available in multiple major languages.

In response to intense market competition in recent years, we have evolved from an online drop-shipping retailer to a consumer lifestyle company, by capturing consumer preferences and sentiment to offer differentiated products, driving consumer engagement through deep emotional resonance. For example, we focus on highly customized non-standard products during western festivals/holidays and special occasions such as Halloween/Christmas and weddings, meeting consumers' emotional and lifestyle needs. Such events-driven positioning allows us to command premium pricing by addressing the sentimental rather than purely functional needs of global consumers, thereby delivering a joyful lifestyle to our customers.

In addition, we adopted a brand matrix strategy to further strengthen our position as a consumer lifestyle company. We launched three direct-to-consumer (DTC) apparel brands in short succession to cover different market segments, expand market share, and deepen our consumer engagement. The first brand is Ador, a women's fashion brand targeting women aged 35-55. The second is a golf apparel brand focusing on female golfers aged 35 and above. The third is a women's light party dress brand for the age group of 30 and above. With similar customer profiles in body characteristics, family structure and income level, these brands create business synergies and drive efficiency across product design, photography style, marketing channels, and supply chain operations. At the same time, the Company builds around the social attributes of women aged 30 and above, delivering emotional value and a more relaxed, enjoyable lifestyle experience across scenarios such as vacation, social golf, and parties.

Building on this foundation, the Company may launch other new brands in apparel and related categories to further expand our brand matrix. We intend to continue refining our existing brands and operations to enhance efficiency, profitability, and consumer engagement, while leveraging our established infrastructure to support sustainable growth.

### **Our Websites and Mobile Applications**

We operate our business primarily through [www.lightinthebox.com](http://www.lightinthebox.com), [www.ador.com](http://www.ador.com) and [www.ezbuy.sg](http://www.ezbuy.sg). Our websites are currently available in over 20 major languages. All of our websites and mobile applications are supported by a common back-end technology platform, allowing for centralized inventory management across all of our websites.

We have made our websites and mobile applications easily accessible to users on their mobile devices. We believe this provides our customers with greater flexibility and convenience as to when and where they shop and provide us with the ability to attract even more customers. Our dedicated shopping application works with the iPhone™, the iPad™ and the Android™ to enhance the mobile shopping experience of our users.

Our websites and mobile applications offer customers a rich shopping experience and include comprehensive information on our entire line of products such as rich media presentation and multilingual description. Users may search and view our products by category, style and other popular features. They may also search by product name, code or keyword. We offer users social media tools on our websites and mobile applications to share information about our products on the world's major social networking sites. We have also established online communities to foster customer peer sharing.

## **Our Product Offerings**

We offer customers products through our websites and mobile applications.

We have established dedicated management teams with strong expertise in their individual categories. We focus on products with strong market demand and large market size, supply chain feasibility and efficiency, online marketing efficiency, logistical feasibility and cost saving potentials. Leveraging artificial intelligence, or AI technologies, we enhance our product selection process through data-driven demand forecasting, trend analysis and consumer preference identification, enabling more precise and efficient product decisions. After products are selected, we conduct frequent real-time customer behavior analysis and seek customer feedback through surveys to improve and tailor our offerings. AI-powered big data analytics enables us to efficiently process massive user data, identify evolving consumption patterns and preferences in a timely manner, and dynamically optimize product positioning and recommendations. This allows us to quickly adjust and improve our products and product presentation. For apparel, we have established our own design teams. Such internal design expertise allows us to create distinctive product designs and provide design feedback to suppliers as to the latest fashions and trends. Our design teams also assist us with our product selection and product presentation to maximize the appeal of our product offerings.

## **Our Partnership with Suppliers**

We have a comprehensive supplier qualification system and have around 450 selected active suppliers accordingly. We select our suppliers based on a range of factors, including product quality, price, reliability, financial strength, reputation, ability to meet our delivery timeline and production capacity, ability to increase their production capacity along with the evolution in our business and historical partnership.

We have in-house pattern making team and manufacturing experts who work closely with our suppliers. This provides us with visibility into the manufacturing process, which allows us to efficiently protect our proprietary designs and manage capacity and quality, thus enables continuous improvements and business innovations. Typically, we enter into supply framework agreements with our suppliers and specify in each purchase order the product type, unit price, quantity, delivery timeline and other detailed items. As the manufacturing processes of some of our products, such as apparel and certain electronics, require a variety of delicate parts and materials, we usually require our suppliers to procure key materials from our designated fabric suppliers in case of fabric shortages and to ensure prompt fulfillment for popular items. We may also require our suppliers to produce custom fabrics and other materials in accordance with certain design and specification. Our suppliers are liable for problems and costs associated with custom clearance.

We have established a supply network that is characterized by on-demand procurement with low lead time. We work with some of our suppliers to re-engineer their manufacturing process that enables us to place orders in relatively small batches. This provides us with the advantage to quickly adjust the design of our products, in each batch if needed, based on customer feedback. For example, for our customized apparels, we place orders with our suppliers only when our customers have placed an order, and such products are delivered to our warehouses by our suppliers within 3 to 14 days from the time when we place an order. For non-customized products, we adopt a frequent procurement strategy characterized with short refill cycles from suppliers that are, in most cases, within 48 hours. Our supply chain management system has been efficient in managing inventory while also reducing production waste for our suppliers.

We have entered into arrangements with certain suppliers under which the suppliers store their products in our warehouses. Such products are referred to in this annual report as co-location inventory. Such co-location inventory products are delivered to our warehouses by our suppliers at their own costs, and we do not record these products as our inventory until all liabilities and rights of ownership of these products are passed on to us upon the confirmation of orders by our customers.

## **Pricing**

In general, we aim to set our products at competitive prices. We price our products to reflect the savings associated with direct sourcing, low inventory levels and optimized logistics. We set the price of our products based on customer demand and feedback, sourcing costs, delivery costs and existing market prices for similar products. As we perform extensive data analysis on our product presentation and customer purchasing decisions, we believe that we can effectively conduct targeted promotional activities, identify optimal pricing points for each product and generate strong product sales and gross-margin performance.

## **Payment and Order Fulfillment**

### ***Payment***

Our customers may choose from a wide range of payment methods. Available payment options include online payment through all major credit and debit cards including Visa, MasterCard, American Express; electronic payment platforms such as PayPal, Klarna, Apple Pay and Shop Pay; co-branded cards, digital wallets, accelerated checkout solutions and various local payment method options; leading BNPL (Buy Now, Pay Later) services including Klarna and Afterpay, as well as money transfer through Western Union and wire transfer. However, available payment options may differ depending on the country or region in which the customers are based.

### ***Order Fulfillment***

We have established warehouses in Singapore, the PRC and the United States. Currently, our warehouses have the capacity to handle over 30,000 orders per day. Our warehouses are currently leased.

Generally, orders placed by our customers are transmitted via our information technology system to one of our warehouses. As a result of our unique supply network, we have generally maintained a low inventory level and, in many cases, do not keep many products in stock. Rather, we transmit orders to our suppliers for fulfillment only when such orders are received from our customers or on a daily basis in small batches. Products are then delivered from our suppliers to our warehouses for quality inspection before being shipped out to our customers by third-party couriers. We regularly monitor our order fulfillment process and solicit customer feedback to ensure fulfillment accuracy.

We offer different delivery options to our customers, including expedited express, priority lines and international postal services. We partner with third-party carriers in all regions except for in Singapore, where we manage the local delivery by our employees.

### ***Refund and Exchange***

We have implemented refund and exchange policies specific to each of our product categories. Generally, if products are returned for quality issues, damage during shipping, failure to conform to specifications, allergic reactions, we will provide refund upon return policy. Customized apparel return requests are subject to additional restrictions due to the personalized nature of such products.

### **Quality Control**

We believe that our ability to offer quality products is essential to our evolution and transformation. Therefore, we emphasize quality control and, as of December 31, 2025, we had built a quality control department with approximately 7 employees.

As we source a majority of our products from suppliers, we have implemented a series of quality control measures to ensure that the products they provide meet our specifications and standards. We communicate actively with our suppliers to clarify our requirements, conduct onsite inspections both to ensure compliance with specifications on particular items as well as for regular quality concerns and share customer feedback. We thoroughly examine product prototypes or initial samples before production begins or agreements with the suppliers are entered into. We examine products when they arrive at our warehouses and we thoroughly inspect most of our products prior to the delivery to our customers.

### **Marketing**

We focus our marketing activities on effective customer acquisition through targeted performance marketing. We employ search engine marketing on a cost-per-click basis. Users are shown our advertisements when they conduct searches using designated keywords or phrases. Under our cost-per-click arrangements, we pay a fixed fee for each time a user clicks on our advertisements, with a higher fee for common keywords with a high correlation to purchase intention. Under our cost-per-acquisition arrangements, we pay each time a user purchases a product after clicking on an advertisement. We employ a combination of our own proprietary technology and advanced third-party infrastructure to manage and optimize our cost-per-click advertising and to discover long-tail multilingual keywords that are most likely to offer a positive return on investment.

We display contextual advertising through major search engines' advertising networks on a cost-per-click basis. We measure the cost of customer acquisition and constantly adjust our keyword selection combinations, advertising copies and landing pages to increase the likelihood of customer purchases once they visit our websites and mobile applications. We also engage in an affiliate marketing program where we offer affiliated websites commissions for directing customer traffic to our websites and mobile applications through embedded hyperlinks. As of the date of this annual report, we actively utilized a hybrid marketing strategy managing millions of keywords and automated product listing advertisement in 20 languages, while conducting display advertising on over 800,000 publisher sites around the world.

Furthermore, we have established a specialized social marketing team to promote our brand and presence across major global social networking platforms. We display contextual advertising through major social media platforms, such as Facebook and Instagram, on a cost-per-impression basis. We present customized advertisements to different groups of users based on their age groups, languages and interests, to improve our customer acquisition efficiency. We also engage social influencers and key opinion leaders for social marketing in different countries on a cost-per-sales basis or cost-per-impression basis. In addition, we conduct offline marketing in certain countries to maximize the overall coverage of our marketing campaigns.

We also focus on providing our customers with a rich shopping experience, which drives customer recommendations, fosters customer sharing and encourages repeat customer visits. We engage in direct marketing campaigns through personalized electronic direct marketing newsletters and mobile application push notifications to our customers. We believe that our data analysis capabilities facilitate repeat purchases as we are able to send targeted notices to customers highlighting products they may find relevant and attractive. In addition, we have established a specialized customer service management team to enhance our customer experience.

### **Customer Service**

We have a team of highly trained customer service representatives to address customer inquiries, educate potential customers about our products and services and monitor order progress. We also pay close attention to reviews of our business or products on our or third-party websites in order to promptly address customer complaints and to improve our shopping experience and product offerings. Our customer service infrastructure now leverages generative AI to efficiently manage the vast majority of standard inquiries in over 20 languages. For complex interactions requiring cultural nuance, our native-speaking human representatives remain available to provide specialized support, ensuring a seamless hybrid service experience.

We primarily provide customer services through electronic communications, including real-time online chat, e-mails and messages posted on our websites and mobile applications or through social media networks.

Our websites and mobile applications also offer a variety of self-help features. These features help our customers to track the status of their orders in real time. Customers may also cancel or modify their orders or contact our customer service representatives for exchange or return of products. We collect customer feedback to improve our responses and utilize such feedback to update our knowledge base to better address customers' needs.

For discussion as to our product exchange and return policy, see “—Payment and Order Fulfillment—Refund and Exchange.”

### **Technology**

We have focused on and will continue to invest in our information technology infrastructure and applications. We have built a proprietary modularized and scalable technology infrastructure, which enables us to quickly upgrade our system capacity and add new features and functionalities in response to our business needs and evolving customer demand without affecting our existing operations or incurring significant costs.

Our systems are mainly composed of front-end and back-end modules with different functions. Each module operates independently but correlates with other modules during the operation flow. The following describes the functionality of our front-end and back-end modules:

- *Front-end Modules.* Our front-end modules support the operation of our user-interface, including PC websites, mobile websites and Apps, functions including user account management, website homepages, search functions, category browsing, product display pages, online shopping carts, payment and order management functions.

- *Back-end Modules.* Our back-end modules support our business operations, including our marketing system, campaign and user management system, product management system, order management system, warehouse management system, purchase management system, customer support system, and supplier portal (which is also connected to the ERP systems of many of our suppliers for product and order placement and tracking). Many of our back-end systems work and connect with each other, which ensure the complete atomization and transparency from order placement to the inspection, packaging and delivery of the products, with the corresponding reports and data available for tracking. Our BI systems can generate up-to-date inventory reports and purchase management system can automatically place customized orders to our manufacturers with the inventory data.

A critical component of our business model is our data analysis capabilities. We have a dedicated data analysis team to track, analyze and forecast customer purchase and browsing behaviors. This enables us to anticipate market demand, arrange for production, rearrange website layouts, user flow and product placement and recommendation, product presentation and supports our supply network. Our systems are integrated to allow a seamless communication of data regarding our customers, their orders, product availability information and logistics information.

Our open application programming interface approach allows us to integrate and work with third-party websites including social network sites, electronic payment platforms, other online distribution outlets and analytic systems. We have also adopted rigorous security policies and measures, including our dual-key and server-specific encryption technology, to protect customer privacy. Customers are protected by their own unique passwords and by our advanced data security software. Additionally, we have currently established an independent system security team, and implemented a series of measures to enhance and strengthen the security of our system, including but not limited to the newly implemented risk control system, access to the hacker monitoring tool of the paid third parties, review of the data authorization, upgrade of the control process, regular security scan of the websites and conduct penetration test etc.

## **Competition**

The apparel market for our products is intensely competitive. Customers have many product choices online and offline offered by global, regional and local sellers. Our current or potential competitors include local and global brands, online retailers and marketplaces such as other global online companies and marketplaces, retail chains and specialty retailers. Each of our competitors has unique strengths that depend on their demographic, product and geographic focus. We may also in the future face competition from new entrants, consolidations of existing competitors or companies created through spin-offs of our larger competitors. For information in relation to the competitive challenges that we face, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—The online apparel industry is intensely competitive and we may not compete successfully against new and existing competitors, which may materially and adversely affect our results of operations.”

We compete on the basis of characteristics such as sourcing products efficiently, technology innovation, pricing our products competitively, maintaining the quality of our products and services, anticipating and responding quickly to changing customer demands, conducting strong and effective marketing activities and maintaining favorable brand recognition. We believe that our primary competitive advantages are our technology-enabled infrastructure, our differentiated product offerings, direct sourcing from cost competitive and flexible supply chain, strong online marketing capabilities, favorable prices, effective customer service, and a strong management team.

## **Intellectual Property**

We rely on a combination of trademark, trade secret, patent and other intellectual property laws as well as confidentiality agreements with our employees, manufacturers and others to protect our intellectual property. We have registered domain names for all of our websites, including [www.lightinthebox.com](http://www.lightinthebox.com), [www.ador.com](http://www.ador.com) and [www.ezbuy.sg](http://www.ezbuy.sg). We have in total 317 trademarks and service marks registered in China, the United States, European Union, Hong Kong, etc. Our trademarks include Lightinthebox and ezbuy etc. We also have 87 copyrights registered in the U.S. and in total 84 registered computer software copyrights in China and the United States, and two registered patents in the United States and one registered patent in China.

In addition to the protection of our intellectual property, we also focused on ensuring that our product offerings do not infringe the intellectual property of others. We have adopted internal policies and guidelines during product design and procurement process to make sure our suppliers and products we offer do not infringe on third-party intellectual property rights. All our supplier agreements contain provisions to safeguard against potential intellectual property infringement by our suppliers and impose severe penalties in the event of any infringement. We will also refuse to work with or terminate our partnership with suppliers in the event of intellectual property right violations. In addition, we have also engaged third-party advisors to assist us in ensuring compliance with third-party intellectual property rights.

Despite our best efforts, however, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights and that products posted on our websites and mobile applications do not infringe or misappropriate the intellectual property rights of others. For information in relation to the challenges we face protecting our intellectual property, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position.” For information in relation to the challenges we face in relation to preventing our infringement of the intellectual property rights of others, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Products manufactured by our suppliers may be defective or inferior in quality or infringe on the intellectual property rights of others, which may materially and adversely affect our business and our reputation.”

### **Seasonality**

We experience seasonality in our business, reflecting seasonal fluctuations in online and offline sales patterns in general and for our products. For example, product sales may be higher in the fourth quarter of a calendar year due to the Christmas holidays, and lower in the first quarter due to the decrease in consumers’ desire to purchase after the holiday seasons. Our product mix may experience quarterly shifts which may cause our margins to fluctuate from quarter to quarter. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our results of operations are subject to quarterly fluctuations due to a number of factors that could adversely affect our business and the trading price of the ADSs.”

### **Insurance**

We participate in government sponsored social security programs including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing fund. We currently have limited insurance covering certain of our warehouses but do not maintain insurance for all of our properties. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We do not have any business liability, disruption or litigation insurance and any business disruption or litigation we experience might result in our incurring substantial costs and diversion of resources.”

### **Regulation**

We sell our products to customers around the world and generate substantially all our revenue from the international markets during the Reporting Period of this annual report, and as such we are subject to a number of laws and regulations in different jurisdictions that affect companies conducting global online retail businesses, many of which are still evolving and could be interpreted in ways that could harm our business. For example, we are subject to laws protecting the privacy of customer non-public information and regulations prohibiting unfair and deceptive trade practices. Other laws in which we may be subject include issues such as user privacy, the tracking of customer activities, marketing e-mails and communications, other advertising and promotional practices, content and quality of products and services, sales and other taxes, import and export laws, electronic contracts and other communications and mandatory data retention.

An increasing number of jurisdictions are legislating or have adopted laws that impose new taxes on companies engaged in online commerce or remote sales, and new tax regulations may subject us to additional sales and income taxes. New legislations or regulations, the application of laws and regulations from jurisdictions whose laws do not currently apply to our business or the application of existing laws and regulations to the Internet and commercial online services could result in significant additional taxes or regulatory restrictions on our business.

Many states in the United States have passed laws requiring notification to subscribers when there is a security breach of personal data. There are also a number of legislative proposals pending before Congress, various state legislative bodies and foreign governments concerning data protection. In addition, data protection laws in Europe and other jurisdictions outside the United States may be more restrictive, and the interpretation and application of these laws are still uncertain. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business.

The following sets forth a summary of the major rules and regulations that affect our business activities.

### ***Regulations Relating to Data Privacy Protection***

As we continue to sell our products into international markets, we will be subject to the laws in the jurisdictions where we operate and where our consumers, users, merchants, customers and other participants are located.

#### *Singapore*

Our Singapore subsidiaries are subject to the Personal Data Protection Act 2012 (PDPA), which is administered and enforced by the Personal Data Protection Commission (PDPC), and governs the collection, use and disclosure of the personal data of individuals by organizations. The PDPA sets out data protection obligations that companies must comply with in undertaking activities relating to collecting, using or disclosing personal data. Failing to comply with any of the above would be subject to a fine per breach of up to S\$1 million (approximately US\$739,645) or 10% of their annual turnover in Singapore, whichever is higher.

Under the PDPA, companies must obtain consent from its customers and inform them of the applicable purposes before collecting, using or disclosing their personal data. Moreover, the Singapore subsidiaries are also required to put in place sufficient measures to protect the personal data in its possession or control from unauthorized access, loss or damage.

Under the PDPC's Advisory Guidelines issued in August 2018, on the PDPA for NRIC and other National Identification Numbers, it is not permitted to collect, use or disclose an individual's identification number unless under certain exceptions. The PDPC commenced enforcement of these Guidelines in September 2019. In the event of a data breach involving any personal data in an organization's possession or control, it is required by the PDPA to reasonably and expeditiously assess the data breach and notify the PDPC of the data breach if evaluated to be one that:

- Is likely to result in significant harm or impact on the individuals to whom the information relates, or
- Involves personal data of 500 or more individuals. In addition to notifying the Personal Data Protection Commission, organizations are required to notify the affected individuals if the data breach is likely to result in significant harm or impact to the affected individuals.

#### *EU*

We are subject to the GDPR, an EU regulation that governs consumers' private information. The collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the EU, including personal transaction data, is subject to the EU GDPR, which became effective on May 25, 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing personal address and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EU, including the US, and permits data protection authorities to impose large penalties for violations of the GDPR, including potential fines of up to €20 million or 4% of annual global revenues, whichever is greater. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. Compliance with the GDPR is a rigorous and time-intensive process that may increase the cost of our business operations or requires us to change our business practice.

*US*

There is no uniform privacy protection legislation in the United States; instead, privacy is primarily protected through industry legislation and state legislation. Industry legislation is primarily used to regulate privacy protections for specific industries or specific categories of data, such as the Health Insurance Portability and Accountability Act (HIPAA), the Financial Services Modernization Act (GLBA), and the Children’s Online Privacy Protection Act (COPPA). At the state legislative level, in addition to privacy legislation for specific categories of data such as biometric data, states have initiated comprehensive legislative efforts in recent years. For example, the California government passed the California Consumer Protection Act (hereinafter referred to as CCPA) on June 28, which took effect on January 1, 2020 which is designed to strengthen consumer privacy and data security protections and is considered to be the most stringent consumer data privacy protection legislation in the United States. We are subject to these legislations.

***Regulations Relating to Consumer Protection***

*Singapore*

Doing business in Singapore requires compliance with the Consumer Protection (Consumer Goods Safety Requirements) Regulations (CGSR), which are designed to protect consumers from unsafe general consumer goods such as toys, children’s products, clothing, sports and recreational products, furniture, mattresses and bedding, and DIY tools. Consumer goods covered by the CGSR must meet any of the following international safety standards:

- International Organization for Standardization (ISO)
- International Electrotechnical Commission (IEC)
- European Committee for Standardization
- ASTM International

Regional or national standards are also acceptable for consumer products for which no international safety standards apply. The CPSO conducts active post-market surveillance immediately after a safety issue is identified in order to reduce the impact of unsafe general consumer products. If consumer products do not meet the applicable safety standards, the CPSO may direct that the sale of these items must be discontinued. They will also direct that users must be informed of the potential hazards of such goods. The penalty for non-compliance is a fine and/or imprisonment.

*EU*

The Directive 2011/83/EU strengthens consumers’ rights in all EU countries, and applies to all consumer sales, including online transactions. Under the Directive, consumers have a right of withdrawal within 14 days of the delivery of the goods without any explanation and cost. The EU took a further step in developing regulations relating to extended producer responsibility (the “EPR”) not only covers the product itself but is explicitly extended to all of the packaging and product parts on the market that are ultimately disposed of by consumers. This triggers changes to existing schemes for packaging, batteries and waste electronics and electrical equipment, as well as other product categories which vary by jurisdiction. The Directive 2018/851/EU on waste and waste management requires all EU Member States to ensure that producers of products bear financial responsibility or financial and organizational responsibility for the management of the waste stage of a product’s life cycle. Following the enactment of the Directive 2018/851/EU, some EU member states have different national regulations to implement the EPR in their respective countries. Current German legislation applies the EPR principle to packaging, electrical appliances and batteries, which are mainly covered by the German Packaging Act (VerpackG), the German Electrical and Electronic Equipment Act (ElektroG) and the Battery Act (BattG). For France, the requirement to the EPR is provided for in the Anti-Waste and Circular Economy Law with the aim of limiting waste and preserving natural resources, biodiversity and the climate.

*US*

In the United States, the Consumer Product Safety Act (CPSA) provides the Consumer Product Safety Commission (CPSC) with the authority to establish new standards when there is no other available standards for reference. If there is no applicable appropriate standard which is able to reduce or eliminate the risk of injury to consumers, the CPSC preferably prohibits the product from being marketed and recalls certain hazardous products.

Under the Federal Hazardous Substances Act (FHSA), household products present hazards should have warning notices on their labels to alert consumers and instruct them on how to protect themselves if these hazards present. Any products that is toxic, corrosive, flammable, and capable of producing electrical currents through decay, heat, or other causes needs to be warned out on the label. If the product may cause personal injury and illness during normal use and when touched by children, it should also be noted on the label.

Poison Prevention Packaging Act (PPPA) which was implemented in 1970, requires some household appliances to have child-proof packaging to prevent children from being harmed. The PPPA requires products to be designed to prevent children under the age of 5 from opening the product for a certain period of time, but also facilitate for normal adult opening. Because the elderly and disabled may also have difficulty to open the packaging of such products. This act allows the product to sell in a non-standard size package with a warning sign indicating that the product cannot be easily accessed by children in the house. Statutory prescription drugs may be dispensed with child-protective packaging when prescribed by a physician or specifically requested by the patient.

***Regulations on Intellectual Property Rights***

We are subject to legislations governing intellectual property rights, including trademarks, patents and copyrights.

*Patent*

*Singapore*

The Patents Act of Singapore confers protection on patentable inventions on a first-to-file basis in Singapore, provided that the invention satisfies the requirements of novelty, having an inventive step and industrial applicability. Patents are valid for 20 years from the date of filing, subject to the payment of annual renewal fees. During the life of the patent, the owner will have the exclusive right to exploit the invention that is the subject of the patent. Civil proceedings may be brought in the court by the proprietor of a patent in respect of any act alleged to infringe the patent, the court shall not, in respect of the same infringement, both award the proprietor of a patent damages and order that he shall be given an account of the profits.

*EU*

The Community patent is unitary and autonomous, i.e. it has equal effect throughout the Community. It may only be granted, transferred or declared invalid for the whole of the Community. The aim of creating a Community patent is to give inventors the option of obtaining a single patent which is legally valid throughout the European Union. The creation of such a patent could enable a substantial reduction in patenting costs (in particular those relating to translation and filing), simplified protection of inventions throughout the European territory as the result of one single procedure, and the establishment of a single centralized system of litigation. The application is made under the provisions of the Munich Convention. The Office examines the application and publishes it and the patent, if granted, in the Register of Community Patents and/or the Community Patents Bulletin. Annual fees must be paid to the Office to renew Community patents. The amount of these fees will be fixed by means of an implementing regulation on fees, which will be adopted by a regulations committee. The Community patent confers on its proprietor the right to prohibit, without his consent the direct use of the invention, in particular making it, offering it, putting it on the market, importing it and the indirect use of the invention, through supplying it, etc. The Community patent may be licensed in whole or in part for all or part of the Community. These licenses may be exclusive or non-exclusive. The rights conferred by the Community patent may be invoked against a licensee who breaches any restriction in the licensing contract.

*US*

There are three ways to apply for a patent in the U.S.: (1) applying directly, (2) applying through the Paris Convention; (3) applying through the Patent Cooperation Treaty (PCT). The patent protection period is up to 20 years from the filing date for utility patents, and for design patents, the protection period lasts for 15 years after the date when the patent was granted. Maintenance fees are payable in 3 years and 6 months, 7 years and 6 months, 11 years and 6 months after grant. A patentee shall have remedy by civil action for infringement of his patent. Upon finding for the claimant, the court shall award the claimant damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court. When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

*PRC*

The PRC Patent Law provides three types of patents including invention, utility model, and design. A patent is valid for a term of 20 years in the case of an invention, and a term of 10 and 15 years in the case of utility models and designs respectively, each starting from the filing date. After the grant of a patent right, unless otherwise provided for in the Patent law, no entity or individual may exploit the patent without the consent of the patent owner. Pursuant to the law, upon confirmation of patent infringement, the infringer should immediately stop the infringement, and make compensation for the damages. Under certain circumstances, The People's Court may award no more than five million yuan in damages.

*Copyright*

*Singapore*

Pursuant to the Copyright Act 2021 of Singapore, authors of protected works enjoy various exclusive rights, including the rights of reproduction and communication to the public. Generally, an author will automatically enjoy copyright protection as soon as he creates and expresses an original work in a tangible form. Authors and performers also have a distinct right to be identified whenever their works or performances are used in public unless exceptions apply. For commissioned works, the copyright will be owned by the author by default, unless otherwise agreed by contract. On the other hand, employers by default own the copyright in all content created by their employees in the course of the employees' employment, unless otherwise agreed by contract.

*EU*

Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC lays down rules which aim to harmonize further Union law applicable to copyright and related rights in the framework of the internal market, taking into account, in particular, digital and cross-border uses of protected content. It also lays down rules on exceptions and limitations to copyright and related rights, on the facilitation of licenses, as well as rules which aim to ensure a well-functioning marketplace for the exploitation of works and other subject matter. Member States shall provide that, when the term of protection of a work of visual art has expired, any material resulting from an act of reproduction of that work is not subject to copyright or related rights, unless the material resulting from that act of reproduction is original in the sense that it is the author's own intellectual creation.

Member countries must pass laws to stop technical circumvention measures and effectively prevent copyright infringement. Manufacturing, importing, distributing, selling, renting or advertising in connection with technical circumvention measures are prohibited. Penalties and remedies for copyright infringement are the responsibility of the Member States. Each Member State is required to take measures to ensure that right holders can claim damages and/or apply for a temporary injunction against infringement and may request the confiscation of the infringing material and equipment, products or parts related to the technical measures in question, as appropriate.

*US*

A work first published in the United States is copyrighted in the United States. Works published outside the United States are copyrighted under agreements between their countries and the United States or under international treaties to which they are parties, and also protected by U.S. law. Copyright in a work created on or after January 1, 1978, endures for a term consisting of the life of the author and 70 years after the author's death. Copyright registration is a prerequisite to certain remedies for infringement. In general, an infringer of copyright is liable for either actual damages and profits or statutory damages in a sum of not less than \$750 or more than \$30,000 as the court considers just.

*PRC*

Copyright in the PRC is protected by the PRC Copyright Law and its implementing regulations. The act of reproducing, distributing, performing, projecting, broadcasting, compiling a work or disseminating a work to the public through information network without the permission of the copyright owner shall constitute copyright infringement. In case of infringement upon the copyright or the copyright-related rights, the infringer shall make compensation on the basis of the actual loss suffered by the right owner or based on the illegal gains of the infringer; where the actual loss of the right owner or the illegal gains of the infringer are difficult to be calculated, compensation may be made by reference to the amount of royalties for that right. In case of intentional infringement upon the copyright or the copyright-related rights, if the circumstances are serious, compensation may be made not less than one time but not more than five times the amount determined according to the above-mentioned methods. Where the actual loss of the right owner, the illegal gains of the infringer or the royalties are difficult to be calculated, the people's court shall, in light of the circumstances of the infringement, decide on a compensation not less than 500 yuan but not more than 5,000,000 yuan.

*Trademark*

*Singapore*

Singapore operates a first-to-file system in respect of registered trademarks under the Trade Marks Act 1988 of Singapore, and the registered proprietor is granted a statutory monopoly of the trademark in Singapore in relation to the product or service for which it is registered. In the event of any trademark infringement, the registered proprietor will be able to rely on the registered trademark as proof of his right to the mark, and the infringement of a trademark may give rise to civil and criminal liabilities. Statutory protection of a registered trademark can last indefinitely, as long as the registration is renewed every 10 years. For proprietors claiming ownership of unregistered trademarks, they may have a right of action by way of common law rights relating to the tort of passing off.

*EU*

An EU trademark has a unitary character. It has equal effect throughout the Union. An EU trademark shall be obtained by registration. A trademark is protected for a period of 10 years, renewable without limitation, and its owner enjoys the exclusive right to use the trademark and to prevent any third party from using the trademark without his consent. In infringement proceedings, the proprietor of an EU trade mark shall not be entitled to prohibit the use of a later registered national trade mark where that later registered national trade mark would not be declared invalid pursuant to Article 8 or Article 9(1) or (2), or Article 46(3) of Directive (EU) 2015/2436 of the European Parliament and of the Council (1). Where the proprietor of an EU trade mark is not entitled to prohibit the use of a later registered trade mark, the proprietor of that later registered trade mark shall not be entitled to prohibit the use of that earlier EU trade mark in infringement proceedings.

*US*

A registrant of a mark registered in the Patent and Trademark Office, may give notice that his mark is registered by displaying with the mark the words “Registered in U.S. Patent and Trademark Office” or “Reg. U.S. Pat. & Tm. Off.” or the letter R enclosed within a circle, thus ®. Any person use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or reproduce, counterfeit, copy, or colorab imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies. In assessing damages, the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. In a case involving the use of a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services.

*PRC*

Registered trademarks are protected under the PRC Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of China National Intellectual Property Administration. Any sign that distinguishes the goods of a natural person, legal person, or other organizations from those of others, including any word, device, letter, number, three-dimensional sign, color combination, sound and combination thereof, may be registered as a trademark except otherwise prohibited by law. The period of validity of a registered trademark shall be ten years, starting from the registration day.

Under the PRC Trademark Law, the use of a trademark identical or similar to a registered trademark in connection with the same or similar goods or service without the authorization of the owner will constitutes an infringement. The infringer shall undertake the responsibility, in accordance with the regulations, to immediately stop the act of infringement, and pay for the damages which may be up to 5 million CNY.

***Regulations Relating to Foreign Exchange***

*Foreign Exchange Relating to Export Businesses*

Foreign exchange activities relating to import and export trading in China are primarily governed by the following regulations:

- the Foreign Exchange Administration Rules (2008), or the Exchange Rules;
- the Administration Rules for the Settlement, Sale and Payment of Foreign Exchange (1996), or the Administration Rules; and
- the Guidance on Foreign Exchange Business under the Current Account (2020).

These foreign exchange regulations, along with certain other ancillary notices issued by the SAFE, lay out the legal framework for the administration of foreign exchange for the export of commodities and services in international trade. Under these foreign exchange regulations, the exporter, in order to receive the proceeds of the export in foreign exchange and settle the same into Renminbi, must apply with the local branch of the SAFE for a certificate of verification and cancellation of export proceeds in foreign exchange unless otherwise provided under the applicable laws and regulations. The exporter must also apply with the competent tax authorities for a tax exemption or refund where a tax exemption or refund is applicable.

Payments to the suppliers and service providers in the PRC are made after the approval by local SAFE, with the provision of relevant exporting documents including customer order details, payment records, shipping, delivery tracking and related service agreements.

### *Foreign Exchange Relating to FIEs*

Under current Chinese regulations, Renminbi are freely convertible for trade and service-related transactions denominated in foreign currency, but not for direct investment, loans or investments in securities outside China without the prior approval of the SAFE or its local branches.

FIEs in China may execute foreign exchange transactions without the SAFE approval for trade and service-related transactions denominated in foreign currency by providing commercial documents evidencing these transactions. They may also retain foreign currency, subject to a cap approved by the SAFE, to satisfy foreign currency-denominated liabilities or to pay dividends. Foreign exchange transactions related to direct investment, loans and investment in securities outside China are still subject to limitations and require approval from the SAFE.

### **Regulations on Tax**

#### *Value Added Tax / Sales and use tax / Goods and Services Tax*

In European Union, new VAT rules on cross-border business-to-consumer (B2C) e-commerce activities have been effect since July 1, 2021. Online sellers, including online marketplaces/platforms can register the Import One-Stop Shop (IOSS) in one EU Member State. The IOSS scheme enables suppliers and electronic interfaces selling goods with an intrinsic value of EUR150 or less to EU consumers to collect, declare and pay the VAT to the relevant tax authorities, rather than requiring the buyer to pay the VAT upon importation into the EU, as applied previously for consignments exceeding EUR 22. In addition, the EU has adopted further amendments to these VAT rules (Directive (EU) 2025/1539) that will shift the primary liability for import VAT from the customer to the supplier or deemed supplier for such distance sales, with application starting July 1, 2028.

For non-EU European countries, such as United Kingdom, Norway and Switzerland also have issued new VAT policies on foreign suppliers (businesses and marketplaces) of low-value goods to domestic individual consumers, where foreign suppliers are obliged to register and collect VAT on their B2C sales. Meanwhile, there are other non-EU European countries that still charge VAT at the border when the goods are imported.

In the United States, most states have enacted laws or adopted formal positions that apply an economic nexus standard and require remote sellers with no in-state physical presence to register for sales and use tax purposes, collecting and remitting tax on sales directed to customers in the state. Sales and use tax rates vary from state to state. Most states also allow a ‘local option’ that permits local jurisdictions, such as cities and counties, to impose an additional percentage on top of the state-level tax and to keep the related revenues.

In Australia, the supply of low value imported goods of AUD1,000 or less to an Australian non-registered consumer will be taken to have necessary connection with Australia and may be subject to goods and services tax, or GST, unless otherwise exempted. Nonresident suppliers and/or re-deliverers to consumers in Australia are liable to remit that GST to the Commissioner of Taxation.

In the PRC, according to the Notice on the Taxation Policies for Cross-border E-Commerce Retail Export, or the E-Commerce Export Taxation Notice, which was jointly issued by the MOF and the State Taxation Administration (“STA”) and took effect on January 1, 2014, an e-commerce export enterprise may be exempt from or refunded with consumption tax and VAT upon satisfaction of certain conditions or requirements under such notice. In addition, our PRC subsidiaries are exempted from VAT on revenue from provision of professional services to its overseas consolidated affiliates.

In addition to the above countries, other regions or countries also have developed and introduced their own VAT or GST regulations.

#### *Income Tax*

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% with respect to the profit generated from Hong Kong.

Our subsidiaries incorporated in Singapore are subject to the Singapore corporate tax of 17% with respect to the profit generated from Singapore.

Our subsidiaries incorporated in the PRC are subject to the general corporate tax of 25%, except for Beijing Light In The Box Information Technology Co., Ltd. (“Beijing Lanting”), which is subject to 15% of corporate tax rate from 2024 to 2026, and Shanghai Light In The Box Information Technology Co., Ltd. (“Shanghai Lanting”), which is subject to 15% of corporate tax rate from 2022 to 2024, according to the new EIT Law and its implementation rules that permit certain High and New Technologies Enterprises, or HNTes, to enjoy a reduced 15% enterprise income tax rate if they meet certain criteria and are officially acknowledged.

#### *Dividends Withholding Tax*

In the PRC, pursuant to the New EIT Law and its implementation rules, dividends generated after January 1, 2008 and distributed to us by our PRC subsidiaries may be subject to withholding tax at a rate of up to 10%. Pursuant to the Double Taxation Avoidance Arrangement, dividends that Light In The Box Limited receives from our PRC subsidiaries may be subject to withholding tax at a rate of 5%, provided that the conditions and requirements under the Double Taxation Avoidance Arrangement have been satisfied, and subject to the assessment and approval of our relevant local tax authority.

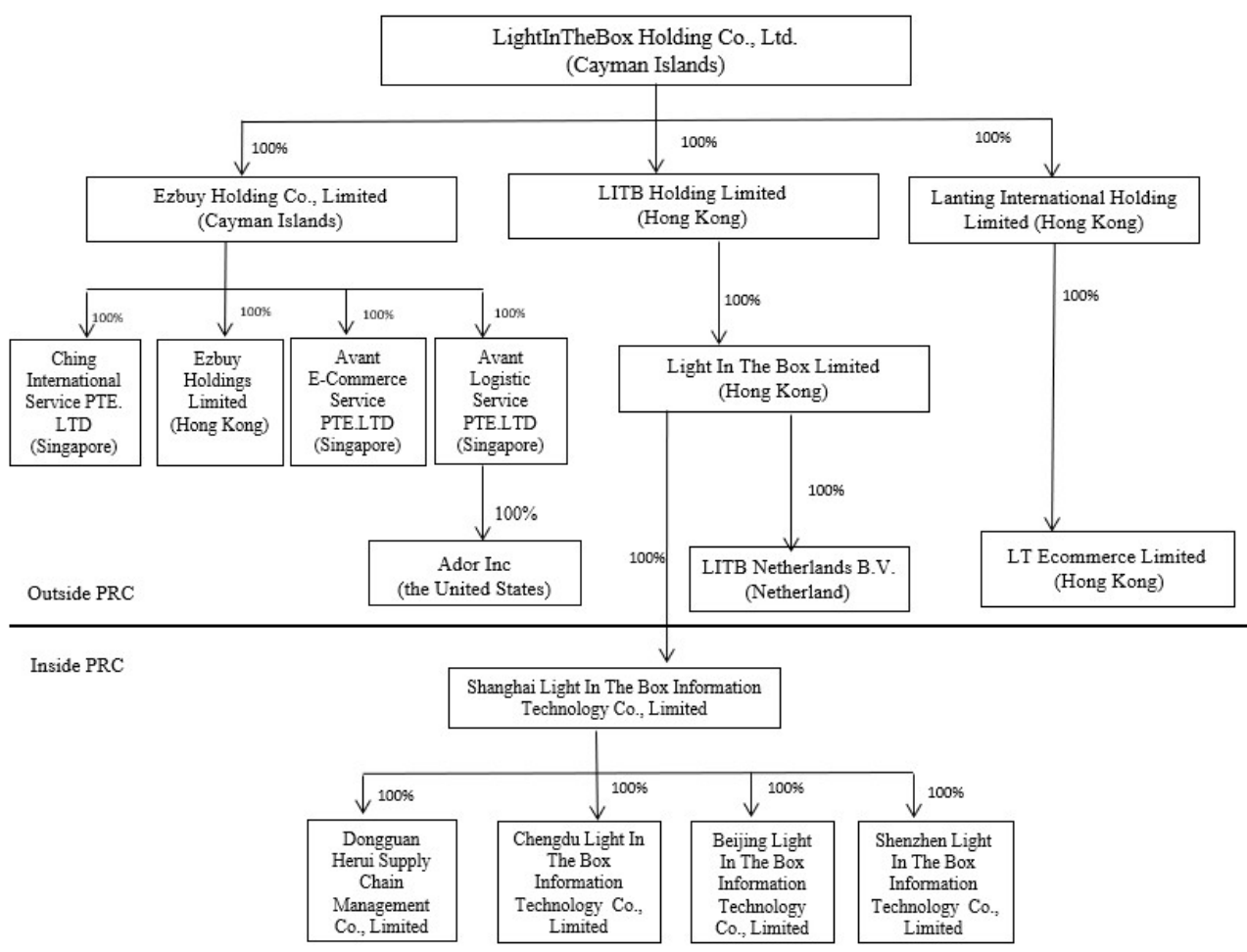
#### ***Labor Laws***

In Singapore, employment is regulated by the Ministry of Manpower (MOM), which sets out rules and regulations to protect both employers and employees. The Employment Act is the main employment law in Singapore, which sets out the basic terms and conditions of employment for most employees, including working hours, rest days, overtime pay, and other benefits. The Employment Act covers most employees in Singapore, except for seafarers, domestic workers, and some managers and executives. The Work Injury Compensation Act provides for compensation to employees who are injured, disabled, or killed in a work-related accident or due to an occupational disease. Our subsidiaries incorporated in Singapore are required to purchase work injury compensation insurance for employees, and the insurance policy should cover the compensation that employees are entitled to under the Act. The Employment of Foreign Manpower Act sets out the rules and regulations for the employment of foreign workers in Singapore. If our Singapore subsidiaries wish to employ foreign workers, they are required to apply for work permits or employment passes for them, and there are quotas and levies that apply to the employment of foreign workers.

In the PRC, pursuant to the Labor Law and the Labor Contract Law, employers must execute written labor contracts with full-time employees in order to establish an employment relationship. All employers must compensate their employees equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with appropriate workplace safety training. Violations of the PRC Labor Contract Law and the PRC Labor Law may result fines or other administrative sanctions or, in the case of serious violations, criminal liability. In addition, employers in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

**C. Organizational Structure**

The chart below summarizes our corporate structure and identifies our significant subsidiaries, as that term is defined under Section 1-02 of Regulation S-X under the U.S. Securities Act, and other subsidiaries and variable interest entities that are representative of our major businesses, which we collectively refer to as our major subsidiaries, as of the date of this annual report:



As of the date of this annual report, we have no VIEs in the PRC. Historically, we conducted certain operations in the PRC through contractual arrangements with certain variable interest entities, or VIEs, that were incorporated in the PRC. To mitigate the uncertainties in our corporate structure and exert full control on our operating entities, we transferred operations in the VIEs to our wholly-owned entities and unwound the VIEs arrangements that were intended to support the operations of our PRC subsidiaries, which were no longer in operation by 2022. As a result, the contractual arrangements between our wholly-owned entities and the relevant VIEs were terminated, which includes Exclusive and Technical Support and Consulting Service Agreements, Powers of Attorney, Exclusive Option Agreements, Loan Agreements, Share Pledge Agreements and Spousal Consent Letters. As of the date of this annual report, we conduct our operations exclusively through wholly-owned subsidiaries.

## D. Property, Plant and Equipment

We currently lease all properties for our operations. Our corporate headquarters are located in Singapore. We have established sourcing offices in Singapore and the PRC. We maintain warehouses in Singapore, the PRC and the United States. The following table sets forth a summary of our leased properties as of the date of this annual report:

<u>Location</u>	<u>Size (in square meters)</u>	<u>Usage of Property</u>
Singapore	18,979	Sales and operation, customer service and warehouse
the United States	1,042	Boutique, design and warehouse
Shanghai, PRC	2,781	Research and development, sales and operation, customer service and administrative functions
Beijing, PRC	1,046	Sales and operation, research and development, administrative functions
Chengdu, PRC	300	Research and development
Dongguan, PRC	17,200	Warehouse
Guangzhou, PRC	1,917	Sales and operation, pattern making and manufacture of our proprietary products

We believe that our existing facilities are adequate for our current business operations and we will be able to enter into lease arrangements on commercially reasonable terms for future development.

### ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” and elsewhere in this annual report.

#### A. Operating Results Overview

We are currently undergoing a strategic transformation from e-commerce retail into brand-focused apparel design with the launch of our new brands.

We serve customers globally without incurring the costs and complexities associated with establishing a traditional multinational retail infrastructure. Our major markets are Europe, North and South America, Oceania and Asia. We use global online marketing platforms such as Google and Facebook to reach our customers, we accept payments through all major credit cards and electronic payment platforms such as Visa, MasterCard, American Express, PayPal, Klarna, Apple Pay and Shop Pay and we deliver our goods through major international couriers, including DHL, UPS, FEDEX, EMS and other international couriers.

Our total revenues were \$629.4 million, \$255.3 million and \$224.3 million in 2023, 2024 and 2025, respectively. We recorded net loss of \$9.6 million and \$2.5 million in 2023 and 2024, respectively, and net profit of \$8.3 million in 2025. Cash used in operating activities was \$20.7 million and \$48.2 million in 2023 and 2024, respectively, and cash provided by operating activities was \$6.2 million in 2025.

#### Factors Affecting Our Results of Operations

Our business and results of operations are affected by general factors affecting apparel markets around the world. Such factors include:

- the growth of the global economy and of our targeted geographic markets, including the breakout of the pandemic that has an adverse impact on global economy;

[Table of Contents](#)

- per capita disposable income and consumer spending;
- growth of global Internet penetration and online retail; and
- government policies and initiatives in our targeted geographic markets that affect online retail and, in particular, the import of products into their respective countries or regions.

Unfavorable changes in any of these general industry conditions could materially and adversely affect demand for our products and our results of operations. In addition, our operating results are affected by the following company-specific factors:

- our ability to acquire new customers and increase repeat purchases by customers at reasonable cost;
- our ability to control product sourcing costs, fulfillment and other operating expenses;
- our product selection and pricing;
- our ability to introduce new product offerings and categories;
- our ability to implement and adapt to the latest technologies;
- our ability to expand into new geographic markets;
- our ability to enhance our brand; and
- our ability to compete effectively.

## Revenues

Since 2016, we generate revenue from two revenue streams:

- *Product sales.* Our product sales segment is comprised of sales of our products to customers through our websites and mobile applications, other supplemental online platforms, and to third-party sellers that sell through our platforms utilizing our supply chain. Revenues from our product sales and other consumer products are recorded net of value added tax, sales and use tax, goods and services tax, discounts and allowances; and
- *Services and others.* Our services and others segment is comprised of provision of logistics services to companies and individual customers.

In 2023, 2024 and 2025, we generated total revenues of \$629.4 million, \$255.3 million and \$224.3 million, respectively. The following table sets forth information of our total revenues by segment in absolute amounts and as percentages of total revenues for the periods presented.

	Years Ended December 31,					
	2023		2024		2025	
	(U.S. dollars in thousands, except for percentage)					
	Revenues	% of Total	Revenues	% of Total	Revenues	% of Total
Product sales	\$ 617,240	98.1	\$ 243,700	95.5	\$ 215,775	96.2
Services and others	12,188	1.9	11,587	4.5	8,540	3.8
<b>Total revenues</b>	<b>\$ 629,428</b>	<b>100.0</b>	<b>\$ 255,287</b>	<b>100.0</b>	<b>\$ 224,315</b>	<b>100.0</b>

### *Product sales*

In response to evolving market dynamics and consumer preferences, we are undergoing a strategic transformation from a traditional e-commerce retail into brand-focused apparel design with the launch of our new brands.

We face seasonality for the sale of our products. For example, during the fourth quarter of the past years, we experienced a general increase in the demand for our products as a result of holiday shopping, and we also had higher purchase demand in the second quarter due to the summer season. In addition, we recorded lower sales during the first quarter due to the decrease in consumers' desire to purchase after the holiday seasons.

**Services and others**

We also record revenues from the provision of logistics services to companies and individual customers. Such logistics services include product collection, packaging and labeling, shipment and delivery of products from our warehouses to locations designated by our customers.

**Cost of Revenues and Operating Expenses**

The following table sets forth our cost of revenues and operating expenses, both in absolute amounts and as percentages of total revenues for the periods indicated.

	Years Ended December 31,					
	2023	(U.S. dollar in thousands, except for percentage)		2024	2025	
		% of Total Revenues		% of Total Revenues		% of Total Revenues
<b>Cost of revenues</b>						
Cost of product sales	\$ 265,964	42.3	\$ 98,926	38.8	\$ 76,683	34.2
Cost of services and others	3,532	0.5	2,869	1.1	1,756	0.8
<b>Total cost of revenues</b>	<b>\$ 269,496</b>	<b>42.8</b>	<b>\$ 101,795</b>	<b>39.9</b>	<b>\$ 78,439</b>	<b>35.0</b>
<b>Operating expenses:</b>						
Fulfillment	\$ 34,916	5.5	\$ 18,932	7.4	\$ 16,593	7.4
Selling and marketing	302,694	48.1	111,919	43.8	102,498	45.7
General and administrative	34,078	5.4	25,735	10.1	19,562	8.7
Other operating income, net	(1,361)	(0.2)	(876)	(0.3)	(743)	(0.3)
<b>Total operating expenses</b>	<b>\$ 370,327</b>	<b>58.8</b>	<b>\$ 155,710</b>	<b>61.0</b>	<b>\$ 137,910</b>	<b>61.5</b>

**Cost of revenues**

Our cost of revenues is comprised of cost of product sales and cost of services.

Our cost of product sales consists primarily of cost of consumer products and shipping charges, and to a much lesser degree, packaging supplies and inventory write-downs. We write down the cost of slow-moving and broken inventory to the net realizable value based on historical trends for such inventory, inventory aging, historical and forecasted consumer demand and such write-down is recorded as part of cost of product sales. Shipping charges to receive products from our suppliers are included in inventory and recognized as cost of product sales upon the sale of such products. Our cost of product sales as percentage of our total revenues during a specific period is affected by the composition of the type of products sold during that period.

Our cost of services consists primarily of shipping charges and to a lesser extent, packaging supplies in connection with the provision of such services to our customers. Shipping charges primarily include shipping fees that we pay to third-party international couriers and are recognized as cost of services when delivery services are rendered.

**Operating Expenses**

*Fulfillment Expenses.* Fulfillment expenses include costs incurred in operating and staffing our warehouses and customer service centers, including (i) costs attributable to buying, receiving, inspecting and warehousing inventories, (ii) picking, packaging, and preparing customer orders for shipment, (iii) payment processing and related transaction costs, and (iv) rental expenses of leased warehouses and depreciation of logistics and electronic equipment. Our fulfillment expenses are primarily affected by the cost of personnel at our warehouses and our ability to strengthen our logistic management capabilities and increase our economies of scale as our volume of products shipped increases.

*Selling and Marketing Expenses.* Selling and marketing expenses include marketing program expenses and marketing personnel expenses. Marketing program expenses are comprised of targeted online marketing expenses, such as search engine marketing, display advertising and affiliate marketing program expenses. Marketing personnel expenses are comprised of payroll and related expenses for personnel engaged in selling, marketing and business development. The fluctuation of selling and marketing expenses as a percentage of our total revenues relates to our business expansion into and the testing of new geographic markets, product categories, marketing channels and promotional activities. In the near term, we expect to focus our selling and marketing efforts on growing our customer base, but we expect our selling and marketing expenses as a percentage of our total revenues to decrease in the long term as we achieve economies of scale, utilize our selling and marketing channels more efficiently, enhance customer’ shopping experience and accordingly increase repeat purchases.

*General and Administrative Expenses.* General and administrative expenses include payroll and related expenses for employees involved in general corporate functions such as accounting, finance, tax, legal, human resources, as well as facility and equipment cost attributable to these functions such as depreciation and rental expenses, professional fees, provision for credit losses and other general corporate costs. Also included in general and administrative expenses are payroll and related expenses for employees involved in product research and development, and systems support, as well as server charges and telecommunications cost. In addition, general and administrative expenses include chargebacks relating to fraudulent credit card activities from payment processing agencies. We expect our general and administrative expenses as a percentage of our total revenues to decrease in the future as we achieve economies of scale.

**Share-based Compensation Expenses**

The table below shows the effect of the share-based compensation expenses on our operating expense line items for the periods indicated.

	Years Ended December 31,					
	2023		2024		2025	
		% of Total Revenues		% of Total Revenues		% of Total Revenues
	(U.S. dollar in thousands, except for percentage)					
Selling and marketing	34	0.0	89	0.0	20	0.0
General and administrative	381	0.0	256	0.0	72	0.0
<b>Total share-based compensation expenses</b>	<b>\$ 415</b>	<b>0.0</b>	<b>\$ 345</b>	<b>0.0</b>	<b>\$ 92</b>	<b>0.0</b>

We expect to continue to grant share options, restricted shares and other share-based awards under our share incentive plan and incur further share-based compensation expenses in future periods. For information regarding share options and restricted shares granted to our officers and directors, see “—Share Incentive Plan.”

**Taxation**

**Cayman Islands Taxation**

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares or our ADSs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares or our ADSs, nor will gains derived from the disposal of our ordinary shares or our ADSs be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of our ordinary shares or on an instrument of transfer in respect of our ordinary shares.

### ***Singapore Taxation***

Our subsidiaries incorporated in Singapore are subject to the Singapore corporate tax of 17% with respect to the profit generated from Singapore. Dividends received in respect of our ADSs or our ordinary shares whether by a Singapore tax resident or a non-Singapore tax resident as a shareholder are not subject to any withholding tax in Singapore.

### ***Hong Kong Taxation***

Our wholly owned subsidiaries in Hong Kong are subject to the uniform profit tax rate of 16.5% in Hong Kong. It is exempted from income tax on its foreign-derived income.

### ***PRC Taxation***

Our subsidiaries incorporated in the PRC are subject to the general corporate tax of 25%, except for Beijing Lanting, which is subject to 15% of corporate tax rate from 2024 to 2026, and Shanghai Lanting, which is subject to 15% of corporate tax rate from 2022 to 2024 according to the new EIT Law and its implementation rules that permit certain High and New Technologies Enterprises, or HNTes, to enjoy a reduced 15% enterprise income tax rate if they meet certain criteria and are officially acknowledged.

Under the New EIT Law and its implementation rules, dividends from our PRC subsidiaries paid out of profits generated after January 1, 2008, are subject to a withholding tax of 20%, although under the detailed implementation rules to the New EIT Law promulgated by the PRC State Council, the withholding tax rate is 10%, unless there is a tax treaty with China that provides for a different withholding arrangement. Pursuant to the Double Taxation Avoidance Arrangement, dividends that Light in The Box Limited and other Hong Kong subsidiaries receive from our PRC subsidiaries may be subject to withholding tax at a rate of 5%, provided that the conditions and requirements under the Double Taxation Avoidance Arrangement have been satisfied.

### ***International Value Added Tax / Sales and use tax / Goods and Services Tax***

The European Union value-added tax (or EU VAT) is a value added tax on goods and services within the European Union (EU). The EU's institutions do not collect the tax, but EU member states are each required to adopt in national legislation a value added tax that complies with the EU VAT code. Different rates of VAT apply in different EU Member States, ranging from 17% in Luxembourg to 27% in Hungary. Within the EU, new VAT rules on cross-border business-to-consumer (B2C) e-commerce activities have been in effect since 1 July 2021. Online sellers, including online marketplaces/platforms can register the Import One-Stop Shop (IOSS) in one EU Member State. The IOSS scheme enables suppliers and electronic interfaces selling goods with an intrinsic value of EUR150 or less to EU consumers to collect, declare and pay the VAT to the tax authorities.

For non-EU European countries, such as United Kingdom, Norway and Switzerland also have issued new VAT policies on foreign suppliers (businesses and marketplaces) of low-value goods to domestic individual consumers, where foreign suppliers are obliged to register and collect VAT on their B2C sales. Meanwhile, there are other non-EU European countries that still charge VAT at the border when the goods are imported.

In the United States, most states have enacted laws or adopted formal positions that apply an economic nexus standard and require remote sellers with no in-state physical presence to register for sales and use tax purposes, collecting and remitting tax on sales directed to customers in the state. Sales and use tax rates vary from state to state. Most states also allow a local option that permits local jurisdictions, such as cities and counties, to impose an additional percentage on top of the state-level tax and to keep the related revenues.

In Australia, the supply of low value imported goods of AUD1,000 or less to an Australian non-registered consumer will be taken to have necessary connection with Australia and may be subject to goods and services tax, or GST, unless otherwise exempted. Nonresident suppliers and/or re-deliverers to consumers in Australia are liable to remit that GST to the Commissioner of Taxation.

In the PRC, according to the Notice on the Taxation Policies for Cross-border E-Commerce Retail Export, or the E-Commerce Export Taxation Notice, which was jointly issued by the MOF and the STA and took effect on January 1, 2014, an e-commerce export enterprise may be exempt from or refunded with consumption tax and VAT upon satisfaction of certain conditions or requirements under such notice. In addition, our PRC subsidiaries are exempted from VAT on revenue from provision of professional services to its overseas affiliates.

In addition to the above countries, other regions or countries also have developed and introduced their own VAT or GST regulations.

## Results of Operations

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

	Years Ended December 31,					
	2023	2024		2025		
	(U.S. dollar in thousands, except for percentage)					
		% of Revenues		% of Revenues		% of Revenues
<b>Revenue</b>						
Product sales	\$ 617,240	98.1	\$ 243,700	95.5	\$ 215,775	96.2
Services and others	12,188	1.9	11,587	4.5	8,540	3.8
<b>Total revenue</b>	<b>629,428</b>	<b>100.0</b>	<b>255,287</b>	<b>100.0</b>	<b>224,315</b>	<b>100.0</b>
<b>Cost of revenues</b>						
Product sales	265,964	42.3	98,926	38.8	76,683	34.2
Services and others	3,532	0.5	2,869	1.1	1,756	0.8
<b>Total cost of revenues</b>	<b>269,496</b>	<b>42.8</b>	<b>101,795</b>	<b>39.9</b>	<b>78,439</b>	<b>35.0</b>
<b>Gross profit</b>	<b>359,932</b>	<b>57.2</b>	<b>153,492</b>	<b>60.1</b>	<b>145,876</b>	<b>65.0</b>
Operating expenses:						
Fulfillment	34,916	5.5	18,932	7.4	16,593	7.4
Selling and marketing	302,694	48.1	111,919	43.8	102,498	45.7
General and administrative	34,078	5.4	25,735	10.1	19,562	8.7
Other operating income, net	(1,361)	(0.2)	(876)	(0.3)	(743)	(0.3)
<b>Total operating expenses</b>	<b>370,327</b>	<b>58.8</b>	<b>155,710</b>	<b>61.0</b>	<b>137,910</b>	<b>61.5</b>
<b>(Loss) / income from operations</b>	<b>(10,395)</b>	<b>(1.6)</b>	<b>(2,218)</b>	<b>(0.9)</b>	<b>7,966</b>	<b>3.5</b>
Interest income	350	0.0	90	0.0	7	0.0
Interest expense	(4)	(0.0)	—	—	(17)	(0.0)
Other income / (expense), net	499	0.1	(400)	(0.1)	262	0.2
<b>(Loss) / income before tax</b>	<b>(9,550)</b>	<b>(1.5)</b>	<b>(2,528)</b>	<b>(1.0)</b>	<b>8,218</b>	<b>3.7</b>
Income tax (expense) / benefit	(40)	(0.0)	39	0.0	61	0.0
<b>Net (loss) / income</b>	<b>\$ (9,590)</b>	<b>(1.5)</b>	<b>\$ (2,489)</b>	<b>(1.0)</b>	<b>\$ 8,279</b>	<b>3.7</b>

### Comparison of the Years Ended December 31, 2023, 2024 and 2025

#### Revenues

Our total revenues in 2023, 2024 and 2025 were \$629.4 million, \$255.3 million and \$224.3 million, respectively, reflecting a decrease of 59.4% from 2023 to 2024 and a decrease of 12.1% from 2024 to 2025.

#### Product sales

The decrease in our revenues from product sales from \$617.2 million in 2023 to \$243.7 million in 2024 was primarily due to the intense competition across the e-commerce industry, and also due to the strategic transformation we are undergoing from e-commerce retail into brand-focused apparel. Product sales represented 98.1% and 95.5% of total revenues in 2023 and 2024, respectively.

The decrease in our revenues from product sales from \$243.7 million in 2024 to \$215.8 million in 2025 was primarily due to our deliberate focus on margin preservation over market share in a competitive market. Product sales represented 95.5% and 96.2% of total revenues in 2024 and 2025, respectively.

*Services and other*

The revenues from services and others in 2023, 2024 and 2025 were \$12.2 million, \$11.6 million and \$8.5 million, respectively, representing a decrease of 4.9% from 2023 to 2024 and a decrease of 26.3% from 2024 to 2025. The decrease from 2024 to 2025 was mainly due to the strategic reduction of external promotional activities in 2025.

**Cost of revenues**

Our cost of revenues in 2023, 2024 and 2025 were \$269.5 million, \$101.8 million and \$78.4 million, respectively, representing a decrease of 62.2% from 2023 to 2024 and a decrease of 22.9% from 2024 to 2025.

*Cost of product sales*

Our cost of product sales decreased from \$266.0 million in 2023 to \$98.9 million in 2024, and further to \$76.7 million in 2025, primarily due to the decrease of product sales volumes.

*Cost of services and others*

The decrease in our cost of services from \$3.5 million in 2023 to \$2.9 million in 2024, and further to \$1.8 million in 2025 was primarily due to the reduced service revenue.

**Gross profit**

As a result of the foregoing, our gross profits in 2023, 2024 and 2025 were \$359.9 million, \$153.5 million and \$145.9 million, respectively, reflecting a decrease of 57.4% from 2023 to 2024 and a decrease of 5.0% from 2024 to 2025. Our gross margins in 2023, 2024 and 2025 were 57.2%, 60.1% and 65.0%, respectively.

*Product sales*

The gross profits of our product sales segment in 2023, 2024 and 2025 were \$351.3 million, \$144.8 million and \$139.1 million, respectively, reflecting a decrease of 58.8% from 2023 to 2024 and a decrease of 3.9% from 2024 to 2025. The gross margins of our product sales segment in 2023, 2024 and 2025 were 56.9%, 59.4% and 64.5%, respectively. The increase in gross margin was mainly due to higher-margin proprietary product lines and bespoke legacy offerings like print-on-demand apparel.

*Services and others*

The gross profits of our services and others segment in 2023, 2024 and 2025 were \$8.7 million, \$8.7 million and \$6.8 million, respectively, reflecting an increase of 0.7% from 2023 to 2024 and a decrease of 22.2% from 2024 to 2025. The gross margins of our services segment in 2023, 2024 and 2025 were 71.0%, 75.2% and 79.4%, respectively.

*Fulfillment Expenses*

Our fulfillment expenses in 2023, 2024 and 2025 were \$34.9 million, \$18.9 million and \$16.6 million, respectively. Fulfillment expenses as a percentage of our total revenues in 2023, 2024 and 2025 were 5.5%, 7.4% and 7.4%, respectively.

The increase in the fulfillment expenses as a percentage of the total revenues from 2023 to 2024 was mainly due to decreased revenues from 2023 to 2024. The fulfillment expenses as a percentage of our total revenues from 2024 to 2025 was relative stable.

*Selling and Marketing Expenses*

Our selling and marketing expenses in 2023, 2024 and 2025 were \$302.7 million, \$111.9 million and \$102.5 million, respectively. Selling and marketing expenses as a percentage of our total revenues were 48.1%, 43.8% and 45.7% in 2023, 2024 and 2025, respectively.

The decrease in our selling and marketing expenses as a percentage of our total revenues from 2023 to 2024 was primarily due to our cost control and enhanced requirement on the return of digital marketing. The increase in our selling and marketing expenses as a percentage of our total revenues from 2024 to 2025 was primarily due to the industry-wide increase in traffic acquisition costs.

#### *General and Administrative Expenses*

Our general and administrative expenses in 2023, 2024 and 2025 were \$34.1 million, \$25.7 million and \$19.6 million, respectively, reflecting a decrease of 24.5% from 2023 to 2024 and a decrease of 24.0% from 2024 to 2025. General and administrative expenses as a percentage of our total revenues in 2023, 2024 and 2025 were 5.4%, 10.1% and 8.7%, respectively.

The general and administrative expenses as a percentage of total revenues increased by 4.7% from 2023 to 2024 was due to the decreased revenues. The general and administrative expenses as a percentage of total revenues decreased by 1.4% from 2024 to 2025, despite a 12.1% decreased revenue from 2024 to 2025, primarily driven by our improved workforce efficiency and effective cost management initiatives. Share-based compensation expenses included in general and administrative expenses in 2023, 2024 and 2025 were \$0.4 million, \$0.3 million and \$0.1 million, respectively. R&D expenses included in general and administrative expenses in 2023, 2024 and 2025 were \$19.1 million, \$15.5 million and \$10.3 million, respectively.

#### *(Loss) / Income from Operations*

As a result of the foregoing, our loss from operations in 2023 and 2024 were \$10.4 million and \$2.2 million, respectively, and our income from operations in 2025 was \$8.0 million.

#### *Other Income / (Expense), net*

Other income, net was \$0.5 million in 2023 and \$0.3 million in 2025, respectively. Other expense, net in 2024 was \$0.4 million.

#### *Income Tax (Expense) / Benefit*

Our income tax expense was \$40 thousand in 2023. Our income tax benefit in 2024 and 2025 was \$39 thousand and \$61 thousand, respectively.

#### *Net (loss) / Income*

As a result of the foregoing, our net loss in 2023 and 2024 were \$9.6 million and \$2.5 million, respectively, and our net income in 2025 was \$8.3 million.

## **B. Liquidity and Capital Resources**

### *Cash Flows and Working Capital*

Previously, we have financed our operations primarily through the proceeds from the issuance of our preferred shares and the net proceeds of our initial public offering and subsequent private placements, bank loans and cash inflow from operating activities. In addition, we had net working capital deficit of \$39.9 million as of December 31, 2025, and we may continue to experience net current liabilities in the future. At the end of December 2024, Shanghai Lanting obtained a one-year bank facility of \$4.1 million from a local bank. As of the date of issuance of the consolidated financial statements, we have drawn down approximately \$0.7 million from the bank facility. As of December 31, 2025, we had approximately \$25.9 million in cash and cash equivalents and restricted cash.

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

	Years Ended December 31,		
	2023	2024	2025
	(U.S. dollars in thousands)		
Net cash (used in) / provided by operating activities	\$ (20,715)	\$ (48,163)	\$ 6,212
Net cash (used in) / provided by investing activities	(1,078)	(2,256)	12
Net cash used in financing activities	(2,295)	(586)	(724)
Net (decrease) / increase in cash and cash equivalents and restricted cash	(24,088)	(51,005)	5,500
Effect of exchange rate changes on cash and cash equivalents and restricted cash	1,224	(954)	703
Cash and cash equivalents and restricted cash at beginning of the year	94,568	71,704	19,745
<b>Cash and cash equivalents and restricted cash at end of the year</b>	<b>\$ 71,704</b>	<b>\$ 19,745</b>	<b>\$ 25,948</b>

### *Operating Activities*

We generated positive cash flow of \$6.2 million from operating activities in 2025, primarily attributable to our net profit of \$8.3 million, adjusted by the reconciliation of certain non-cash items of \$1.2 million, which mainly included depreciation and amortization of \$1.6 million, unrealized foreign exchange gain of \$0.4 million and share-based compensation of \$0.1 million. Cash generated in operating activities was also attributable to an increase of \$1.9 million in accounts payable and an increase of \$0.8 million in advance from customers, contributed by the sales increase in 2025Q4, and a decrease of \$0.7 million in prepayments and other current assets and a decrease of \$0.4 million in long-term rental deposits, partially offset by the decrease of \$5.1 million in the accrued expenses and other current liabilities, and the increase of \$1.3 million in inventories and the increase of \$0.4 million in accounts receivable.

We incurred negative cash flow of \$48.2 million from operating activities in 2024, primarily attributable to our net loss of \$2.5 million, adjusted by the reconciliation of certain non-cash items of \$2.8 million, which mainly included depreciation and amortization of \$2.2 million, unrealized foreign exchange loss of \$0.3 million and share-based compensation of \$0.3 million. Cash used in operating activities was also attributable to a decrease of \$40.5 million in accrued expenses and other current liabilities, a decrease of \$5.5 million in accounts payable and a decrease of \$8.6 million in advance from customers, contributed by the sales decrease in 2024Q4, and an increase of \$0.4 million in accounts receivables, partially offset by the decrease of \$2.1 million in inventories and the decrease of \$4.3 million in prepayments and other current asset.

We incurred negative cash flow of \$20.7 million from operating activities in 2023, primarily attributable to our net loss of \$9.6 million, adjusted by the reconciliation of certain non-cash items of \$2.5 million, which mainly included depreciation and amortization of \$3.2 million, unrealized foreign exchange gain of \$1.1 million and share-based compensation of \$0.4 million. Cash used in operating activities was also attributable to a decrease of \$10.7 million in accounts payable and a decrease of \$15.2 million in advance from customers, contributed by the sales decrease in 2023Q4, partially offset by the decrease of \$8.5 million in inventories and the increase of \$4.3 million in accrued expenses and other current liabilities.

### *Investing Activities*

Net cash provided by investing activities was approximately \$12 thousand in 2025, primarily due to the purchase of property and equipment of \$42 thousand and the proceeds from disposal of property and equipment of \$54 thousand.

Net cash used in investing activities was \$2.3 million in 2024, primarily due to the purchase of property and equipment of \$0.8 million and the purchase of land use right of \$1.5 million.

Net cash used in investing activities was \$1.1 million in 2023, primarily due to the purchase of property and equipment of \$1.1 million.

### *Financing Activities*

Net cash used in financing activities was \$0.7 million in 2025, which was primarily due to the repurchase of ordinary shares of \$0.7 million.



In addition, as determined in accordance with local regulations, our subsidiaries in certain of our markets may be restricted from paying us dividends offshore or from transferring a portion of their assets to us, either in the form of dividends, loans or advances, unless certain requirements are met, and regulatory approvals are obtained. See “Item 3. Key Information—D. Risk Factors—Our subsidiaries or the holding company may be required to obtain approval in the future and may be denied permission from Chinese authorities to list on U.S. exchanges, we may not be able to continue listing on U.S. exchange, which could have a material adverse effect on our business, financial condition and results of operations as well as the trading price of the ADSs.” Our subsidiaries in the PRC are also required to set aside a portion of their net income, if any, each year to fund general reserves for appropriations until this reserve has reached 50% of the related subsidiary’s registered capital. These reserves are not distributable as cash dividends. In addition, registered share capital and capital reserve accounts are also restricted from distribution.

### **Cash and Asset Flows Through Our Organization**

LightInTheBox Holding Co., Ltd., our Cayman Islands holding company may transfer cash to its wholly owned subsidiaries by making capital contributions or providing intra-group loans, subject to certain restrictions under the applicable local laws, including the laws of mainland China. For the years ended December 31, 2023, 2024 and 2025, LightInTheBox Holding Co., Ltd. received cash transfers of US\$4.2 million, US\$1.9 million and US\$1.8 million, respectively, from our wholly owned Hong Kong subsidiary, Light In The Box Limited. For the years ended December 31, 2023, 2024 and 2025, no assets other than above cash transactions were transferred between our Cayman Islands holding company and a subsidiary, no subsidiaries paid dividends or made other distributions to the holding company. For further details, please see Schedule I to our audited consolidated financial statements included in this annual report. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty.

As of the date of this annual report, no dividends or distributions were made to LightInTheBox Holding Co., Ltd. by our subsidiaries, and no dividends or distributions have been made to U.S. investors. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and transform our business and we have no present plan to pay any dividends on our ordinary shares in the foreseeable future. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy.” Under the laws and regulations of mainland China, cash transfers, distributions or dividend payments from our PRC subsidiaries to entities or individuals outside of mainland China, including to LightInTheBox Holding Co., Ltd. and U.S. investors, are subject to PRC government control of currency conversion and the satisfaction of applicable government registration and approval requirements for cross-border cash transfers. Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. Additionally, if our PRC subsidiaries incur debt on its own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. In addition, the revenue and assets of our PRC subsidiaries are denominated in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to pay dividends to us, including to LightInTheBox Holding Co., Ltd. and U.S. investors. However, we generate all cash from operating activities from countries outside of the PRC, and we do not expect to distribute cash from our PRC subsidiaries to subsidiaries outside of mainland China. Currently, there are no restrictions (1) of transferring funds between LightInTheBox Holding Co., Ltd., our Cayman Islands holding company, and its subsidiaries in Hong Kong or other jurisdictions, or (2) of distributing earnings from LightInTheBox Holding Co., Ltd. and its subsidiaries in Hong Kong or other jurisdictions to U.S. investors. For the tax obligations of an investment in our ADSs and/or ordinary shares, please see “Item 10. Additional Information—E. Taxation—Material United States Federal Income Tax Considerations.”

See “Item 18. Financial Statements” for additional details.

As we generate all of our revenue from countries outside of the PRC, we do not expect to rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. To the extent cash or assets in our business is in mainland China or Hong Kong or in our PRC subsidiaries or Hong Kong subsidiaries, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations by the PRC government on our and our subsidiaries’ ability to transfer cash or assets. As of the date of this annual report, there is no equivalent or similar restriction or limitation in Hong Kong on cash transfers in, or out of, our Hong Kong subsidiaries. However, if restrictions or limitations were to become applicable to cash transfers in and out of Hong Kong subsidiaries in the future, the funds in our Hong Kong subsidiaries may not be available to fund operations or for other use outside of Hong Kong.

The Company’s management is directly supervising cash management. Our finance department is responsible for establishing the cash management policies and procedures among our subsidiaries and departments. Each subsidiary or department initiates a cash request by putting forward a cash demand plan, which explains the specific amount and timing of cash requested, and submitting it to designated management members of the Company, based on the amount and the use of cash requested. The designated management member examines and approves the allocation of cash based on the sources of cash and the priorities of the needs, and submits it to the cashier specialists of our finance department for a second review. Other than the above, we currently do not have other cash management policies or procedures that dictate how funds are transferred. Prior to the completion of our initial public offering in June 2013, the sources of funding of the Company and its subsidiaries primarily consisted of capital injections by shareholders and cash generated from operations. For the last three fiscal years, cash transfers and transfers of other assets between LightInTheBox Holding Co., Ltd. and its subsidiaries are disclosed above.

### **Recent Accounting Pronouncements**

A list of recent accounting pronouncements that are relevant to us is included in Note 2 to our consolidated financial statements, which are included in this annual report.

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

#### **Research and Development**

We have focused on and will continue to invest in our information technology infrastructure and applications. We have built a proprietary modularized and scalable technology infrastructure, which enables us to quickly upgrade our system capacity and add new features and functionalities in response to our business needs and evolving customer demand without affecting our existing operations or incurring significant costs.

#### **Intellectual Property**

We rely on a combination of trademark, trade secret, patent and other intellectual property laws as well as confidentiality agreements with our employees, manufacturers and others to protect our intellectual property. We have registered domain names for all of our websites, including *www.lightinthebox.com*, *www.ador.com* and *www.ezbuy.sg*. We have in total 317 trademarks and service marks registered in China, the United States, European Union, Hong Kong, etc. Our trademarks include Lightinthebox and ezbuy etc. We also have 87 copyrights registered in the U.S. and 84 registered computer software copyrights in China and in the United States. We have two registered patents in the United States and one registered patent in China.

In addition to the protection of our intellectual property, we are also focused on ensuring that our product offerings do not infringe the intellectual property of others. We have adopted internal policies and guidelines during product design and procurement process to make sure our suppliers and products we offer do not infringe on third-party intellectual property rights. All our supplier agreements contain provisions to safeguard against potential intellectual property infringement by our suppliers and impose severe penalties in the event of any infringement. We will also refuse to work with or terminate our partnership with suppliers in the event of intellectual property right violations. In addition, we have also engaged third-party advisors to assist us in ensuring compliance with third-party intellectual property rights.

#### D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the current fiscal year that are reasonably likely to have a material effect on our total revenues, income, profitability, liquidity or capital reserves, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

#### E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect (i) the reported amounts of our assets and liabilities; (ii) the disclosure of our contingent assets and liabilities at the end of each reporting period; and (iii) the reported amounts of revenues and expenses during each reporting period. We continually evaluate these judgments, estimates and assumptions based on our own historical experience, knowledge and assessment of current business and other conditions and our expectations regarding the future based on available information, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application. There was no critical accounting estimate for the year ended December 31, 2025.

When reading our consolidated financial statements, you should consider our selection of critical accounting policies, the judgment and other uncertainties affecting the application of such policies and the sensitivity of reported results to changes in conditions and assumptions. Our critical accounting policies and practices include the following: (i) revenue recognition; and (ii) income taxes. See Note 2—Summary of Significant Accounting Policies to our consolidated financial statements for the disclosure of these accounting policies.

### ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

#### A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers. The business address of each of our directors and executive officers is LightInTheBox Holding Co., Ltd., 4 Pandan Crescent #03-03 Logos eHub, Singapore (128475).

Name	Age	Position/Title
Zhi Yan	53	Chairman of the Board and Director
Jian He	45	Chief Executive Officer and Director
Zhiping Qi	53	Vice Chairman of the Board and Director
Zhentaο Wang	60	Director
Xiongping Yu	50	Director
Meng Lian	46	Director
Ge Yan	28	Director
Wei Yu	43	Director
Hanhua Wang	62	Independent Director
Peng Wu	43	Independent Director
Lei Deng	47	Independent Director
Bin Shi	47	Chief Technology Officer
Wenyu Liu	41	Chief Growth Officer
Suhai Ji	49	Chief Financial Officer

## Biographical Information

**Zhi Yan** has served as our chairman of the board of directors and director since August 2024. Mr. Yan has previously served as the Company's director from March 2016 to March 2023. Mr. Yan has extensive investment and corporate management experience in various industries, including commercial property, wholesale markets, finance, real estate, logistics, commerce and aviation. Mr. Yan is the founder, chief executive officer and chairman of the board of directors of Zall Smart Commerce Group Ltd. (HKSE Code: 2098). He is primarily responsible for the group's overall business and investment strategies and oversees the group's project planning, business and operation management. Mr. Yan is also a non-executive director and chairman of the board of directors of Wuhan Hanshang Group (SSE Code: 600774), as well as an independent director of DouYu International Holdings Limited (Nasdaq: DOYU). Mr. Yan received a master's degree in business administration for senior executives from Wuhan University in February 2008 and an executive master's degree in business administration from Cheung Kong Graduate School of Management in 2013. In June 2018, Mr. Yan was awarded a Doctorate in Chinese History from Wuhan University.

**Jian He** has served as our chief executive officer and director since November 2018 and served as our chairman of the board of directors from March 2023 to August 2024. Prior to joining our company, Mr. He was the founder and chief executive officer of Ezbuy, a Singapore-based leading cross-border e-commerce platform founded in 2010, which we acquired in December 2018. Prior to founding Ezbuy, Mr. He worked in the semiconductor industry for nine years including at GlobalFoundries and SMIC. As a core team member of the 0.18, 0.13-micron and 65nm technology nodes yield and product teams at GlobalFoundries and SMIC, Mr. He managed the rapid increase in the pace of technological change, innovation, and business applications. Mr. He holds a master's degree from Fudan University in electrical engineering and a bachelor's degree in electrical engineering from Zhejiang University.

**Zhiping Qi** has served as our director since June 2018 and served as our chief executive officer from June 2018 to November 2018. Mr. Qi is the executive director and co-chief executive officer of Zall Smart Commerce Group Ltd. (HKSE Code: 2098). Mr. Qi is also one of the founding team members of Sinoagri E-Commerce Co, Ltd., an online agricultural procurement and distribution service provider, and served as its co-president and vice chairman from 2010 to 2017. Mr. Qi was responsible for its overall strategic planning, investments and management. Mr. Qi has been executive director and co-chief executive officer of Zall group since July 2018. Mr. Qi has extensive experiences in operating and managing supply chains, investing in the development of e-commerce platforms, strategic planning and the management and deployment of resources globally. Mr. Qi obtained his bachelor's degree in corporate management from Shenzhen University and has completed an EMBA program at the China Europe International Business School.

**Zhentao Wang** has been our director since July 2015. Mr. Wang is the founder and controlling person of AoKang. He founded Yongjia County Aolin Shoe Factory, the predecessor of AoKang, in 1988. Mr. Wang received his EMBA degree from Cheung Kong Graduate School of Business in 2006, an EMBA degree from the HEC School of Management in France in 2007 and also an EMBA degree from the Shanghai Advanced Institute of Finance in 2013. Mr. Wang has received numerous accolades and awards in China, including the National Labor Medal in 2002, China's Industry Leader of Private Industrial Enterprises in 2003, One of the 15th China's Top 10 Outstanding Youth in 2004 and the Outstanding Person of China's Economic Development in 2006. Mr. Wang has established the first non-public charity foundation named after an individual among Chinese private entrepreneurs in 2006, he was honored with the 11th China Charity Award in 2021.

**Xiongping Yu** has been our director since June 2016. Mr. Yu has also been a director of Zhejiang Aokang Shoes Co., Ltd. since June 2012, and was previously the finance in charge and secretary to the board of directors of Aokang Shoes Co., Ltd from September 2007 to September 2009, and served as the secretary to the board of directors of Aokang Shoes Co., Ltd from October 2009 to December 2013. Mr. Yu has served as a director of Wenzhou Minshang Bank since March 2015. Mr. Yu is also a director of Chengdu Kanghua Biological Products Co., Ltd and Zhongjie Resources Investment Co., Ltd., and an executive director and general manager of Ningbo Aokang Zhongou Investment Management Co., Ltd., Hangzhou Guanze Investment Management Co., Ltd., and an executive director and general manager of Yongjia Aoxin Enterprise Management Co., Ltd. Mr. Yu received a bachelor's degree from Dongbei University of Finance & Economics in 2005.

**Meng Lian** has served as our director since November 2018. Mr. Lian is a partner of IDG Capital, where he focuses on internet, Mobile Internet, as well as a combination of new technology and traditional consumer products and services. Prior to joining IDG Capital, Mr. Lian worked at New Oriental Education & Technology Group (NYSE: EDU; 09901.HK). He holds an MBA from Hong Kong University of Science and Technology and a bachelor's degree in Law from Ji'nan University.

**Ge Yan** has served as our director since March 2023. Ms. Yan received her bachelor's degree in International Management from King's College London. She received her master's degree in Regional and Urban Planning Studies from the London School of Economics and Political Science. Ms. Yan is currently pursuing her Doctor of Philosophy in Population Medicine at Peking Union Medical College.

**Wei Yu** has served as our director since March 2023. Mr. Yu has also served as an executive director of Zall Smart Commerce Group Ltd. ("Zall Group") (HKSE Code: 2098), the Co-President of North Hankou Group, and the Chairman of Zall International Trade Group Co., Ltd. Mr. Yu is currently responsible for the overall operation and management of the digital trade, international trade segment, overseas business and logistics and warehousing business of Zall Group. Mr. Yu has extensive experience in transportation, finance, digital trade, international commodities trading, internet logistics, strategic supply chain solution planning and risk management. Mr. Yu has participated in the establishment of Wuhan Zall Cloud Group, Commodities Intelligence Centre in Singapore and ZMA Smart Capital. Mr. Yu received his Executive Master of Business Administration from China Europe International Business School in 2013.

**Hanhua Wang** has served as our independent director since July 2019. In April 2020, Dr. Wang was appointed as the as the chairperson of the audit committee. Dr. Wang was the President of Amazon.cn and VP of Amazon.com. In addition, Dr. Wang has over 20 years of working experience in various industries of e-commerce, telecommunication, smart home and IoT. Dr. Wang has Bachelor degree in Psychology and Master degree in Education Psychology from East China Normal University in China, and PH.D. degree in Education Psychology University of Nebraska-Lincoln in the United States.

**Peng Wu** has been our independent director since January 2019. Dr. Wu has been a professor of Business School in Sichuan University since 2017. Dr. Wu's main research area is supply chain management, and he has worked on numerous consulting projects for companies in China and the UK. Dr. Wu obtained his bachelor's degree in management from Tsinghua University in 2004 and his Ph.D. degree in management from Tsinghua University in 2010. Before joining Sichuan University, Dr. Wu worked at South China University of Technology and Cambridge University.

**Lei Deng** has served as our independent director since April 2020. Dr. Deng is currently an equity partner in Zhong Lun Law Firm since January 2020. Before joining Zhong Lun Law Firm, Dr. Deng served as a senior partner since 2004 at China Commercial Law Firm, a leading and full-service law firm in China. In addition, Dr. Deng has over 13 years of corporate governance experience in listed companies. Dr. Deng serves as an independent director in various listed companies including Shenzhen Huaqiang Industrial Co., Ltd., and Han's Laser Technology Industry Group Co., Ltd.. Dr. Deng is also a consultant for Shenzhen Stock Exchange, providing advisory and legal services to governments and enterprises on corporate governance and capital market regulations. Dr. Deng obtained his Bachelor and Master's degree in law from Huazhong University of Science and Technology, and his Doctor's degree in law from Zhongnan University of Economics and Law.

**Bin Shi** has been our chief technology officer since December 2015. Prior to that, Mr. Shi has served as our senior vice president of technology since March 2009. Before joining our Company, he worked for myspace.com as the chief architect from March 2007 to March 2009 and Yahoo China as messenger technical director from April 2004 to March 2007. Mr. Shi had also held various technology management positions at Shareware Freelancer and STAR Computer. Mr. Shi received his bachelor's degrees in both chemistry and computer science from Tsinghua University in 2000.

**Wenyu Liu** acted our acting chief financial officer from March 2019 to August 2020 and our Chief Growth Officer since then. Ms. Liu has years of experience in cross-border ecommerce and financial management. She joined the Company in December 2018, and was responsible for the development of the group's branding strategies and the operations in Singapore. From 2010 to 2018, Ms. Liu, one of the founders of Ezbuy, served as CEO of Ezbuy Singapore. Ms. Liu obtained her bachelor's degree from Nanyang Technological University in 2009 and her master's degree from the National University of Singapore in 2011.

**Suhai Ji** joined our company in February 2025 and was appointed as Chief Finance Officer in May 2025. Prior to joining LightInTheBox, Mr. Ji served as the Chief Financial Officer at several private and publicly listed companies, including EDDA Healthcare and Technology Holding Limited from April 2021 to March 2024, Zhaogang.com from November 2019 to January 2021, CDP Group from August 2017 to January 2019, Guanghua Education Group from June 2016 to August 2017, and Tarena International from September 2013 to March 2016. Mr. Ji received a bachelor's degree in economics and a master's degree in international economics and finance from Brandeis University in May 1998 and 1999, respectively, as well as an MBA degree in finance from Columbia Business School in May 2003.

## **B. Compensation of Directors and Executive Officers**

In 2025, we and our subsidiaries paid an aggregate cash compensation and benefits (excluding equity-based grants) of approximately \$1.2 million to our directors and executive officers as a group. No RSUs, options or rights was granted to our directors and executive officers in 2025. Pursuant to our service or employment agreements with our directors and executive officers, neither we nor our subsidiaries provide benefits to directors upon termination of employment. We do not separately set aside any amounts for pensions, retirement or other benefits for our executive officers, other than pursuant to relevant statutory requirements.

### **Employment Agreements**

We have entered into employment agreements with each of our executive officers. We may terminate their employment for cause. In the event of termination for cause, we have no further obligations or liabilities to such executive officer other than to pay any accrued but unpaid compensation through the date of termination and we are not required to provide any prior notice of such termination. For purposes of these agreements, the term cause means: (a) the executive officer commits willful misconduct or gross negligence in performance of his duties hereunder, or malfeasance, and fails to correct such malfeasance within a reasonable period specified by us after we have sent the executive officer a written notice demanding correction within such a period; (b) the executive officer has committed malfeasance and has caused serious losses and damages to us; (c) the executive officer seriously violates our internal rules and fails to correct such violation within a reasonable period specified by us after we have sent the executive officer a written notice demanding correction within such a period; (d) the executive officer has seriously violated the internal rules of and has caused serious losses and damages to us; (e) the executive officer is convicted by a court or has pleaded guilty of theft, fraud or other criminal offense; or (f) the executive officer seriously breaches his/her duty of loyalty to us or our affiliate under the laws of the Cayman Islands, Singapore, the PRC or other relevant jurisdictions. We may terminate their employment at any time, without cause, upon 30-day prior written notice to the executive officer. Executive officers may terminate their employment with us at any time, without cause, upon three months written notice to us. If any severance pay is mandated by law, executive officers will be entitled to such severance pay in the amount mandated by law when his or her employment is terminated. However, an executive officer will not be entitled to any severance pay if his/her employment is terminated by him/her for any reason. In addition, notwithstanding any provision to the contrary in our employment agreements, we may still be required to make severance payments upon termination without cause to comply with the PRC Labor Law, the labor contract law and other relevant PRC regulations, which entitle employees to severance payments in case of early termination of “de facto employment relationships” by PRC entities without statutory cause regardless of whether there exists a written employment agreement with such entities.

### **Share Incentive Plans**

We adopted our Amended and Reinstated 2008 Share Incentive Plan, or the 2008 Plan, on October 27, 2008. The 2008 Plan is intended to promote our success and to increase shareholder value by providing an additional means to attract, motivate, retain and reward selected directors, officers, employees and other eligible persons. An aggregate of 4,444,444 ordinary shares were reserved for issuance under the 2008 Plan. On June 9, 2014, the 2008 Plan was amended to increase the maximum aggregate number of ordinary shares reserved for issuance under the 2008 Plan to 11,344,444.

We adopted our 2019 Share Incentive Plan, or the 2019 Plan, on January 20, 2019. The 2008 Plan and 2019 Plan are collectively referred to as the Plans. The 2019 Plan is intended to promote our success and to increase shareholders’ value by providing an additional means to attract, motivate, retain and reward selected directors, officers, employees and other eligible persons. An aggregate of 2,867,382 ordinary shares were reserved for issuance under the 2019 Plan. Subsequently, the 2019 Plan was amended to be authorized to grant a total of 10,667,382 ordinary shares. As of March 25, 2026, we had 36,000 unvested restricted shares and 5,817,042 unexercised share options outstanding under the Plans.

The following table summarizes the share options and restricted shares granted to our employees under the Plans that were outstanding as of March 25, 2026.

Name	Number of Ordinary Shares Underlying Outstanding Options and restricted shares	Exercise Price (\$/Share)	Grant Date	Expiration Date
Our Employees	3,000,000	0.4	October 2, 2020	Ten years from the grant date
	80,000	0.4	December 29, 2021	Ten years from the grant date
	880,000	0.25	October 24, 2022	Ten years from the grant date
	37,038	0.3	December 28, 2023	Ten years from the grant date
	155,556	0.005	December 28, 2023	Ten years from the grant date
	760,000	0.33	June 1, 2024	Ten years from the grant date
	860,000	0.33	July 30, 2024	Ten years from the grant date
	44,448	—	March 28, 2025	Ten years from the grant date
	36,000	—	November 5, 2025	NA

We have historically determined the exercise price of shares granted under the Plans based on a number of factors, such as the type of awards, the length of time in which such employees were with our company, the function of such employees and the price of our preferred share issuances. Certain employees who joined our company near its inception were issued options with lower exercise prices than other employees. In addition, employees who we consider to be our key personnel may also be issued options with a lower exercise price.

The following paragraphs summarize the principal terms of the Plans.

**Types of Awards and Exercise Prices.** The Plans permit the grant of several kinds of awards, including among others, options, restricted shares, restricted share units, share appreciation rights and dividend equivalent rights.

**Plan Administration.** The administrator of the Plans is the chairman of our board of directors or, in the case of administration with respect to directors and officers, a committee consisting of at least two non-employee directors designated by the board, and, with respect to consultants and other employees, a committee consisting of one or more directors of the company designated by the board. The administrator designates the eligible optionees and determines the award type, award period, grant date, performance requirements and such other provisions and terms not inconsistent with the plan in the award agreement.

**Award Agreement.** Options and other awards granted under the Plans are and will be evidenced by an award agreement that sets forth the terms, provisions, limitations and performance requirements for each grant.

**Eligibility.** At the discretion of the board of directors, we may grant awards to employees, officers, directors or consultants of our company.

**Term of Awards.** The term of each award shall be the term stated in the award agreement, provided that the term of an incentive share option shall be no more than ten years from the date of grant, subject to certain exceptions.

**Acceleration of Awards upon Corporate Transaction.** The administrator of the Plans may upon or in anticipation of a corporate transaction, accelerate awards or modify the terms of the awards.

**Vesting Schedule.** The administrator of the Plans may determine the vesting schedule and may provide additional vesting conditions in the award agreement to each optionee.

**Amendment and Termination.** Our board of directors may at any time by resolutions amend, suspend or terminate the Plans, subject to certain exceptions. The 2008 Plan terminated on October 26, 2018. Unless earlier terminated by the board of directors, the 2019 Plan will terminate on January 20, 2029.

### **C. Board Practices**

We have eleven directors, three of whom are independent directors, on our board of directors. Any director on our board may be removed by way of an ordinary resolution of shareholders. Any vacancies on our board of directors or additions to the existing board of directors can be filled by the affirmative vote of all of the remaining directors. Each of our directors holds office until such director resigns or is removed by way of an ordinary resolution of shareholders. We have no service contracts with any of our directors that provide benefits to them upon termination.

All of our executive officers are appointed by and serve at the discretion of our board of directors. Our executive officers are elected by and may be removed by a majority vote of our board of directors.

#### **Board Committees**

Our board of directors have established an audit committee, a compensation committee and a corporate governance and nominating committee. We have adopted a charter for each of these committees. Each committee's members and functions are as follows.

##### ***Audit Committee***

Our audit committee consists of Dr. Hanhua Wang, Mr. Peng Wu and Mr. Lei Deng. Dr. Wang is the chairman of our audit committee and satisfies the criteria of an audit committee financial expert as set forth under the applicable rules of the SEC. Each of Dr. Wang, Dr. Wu and Dr. Deng satisfies the requirements for an "independent director" within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual and meets the criteria for independence set forth in Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended, or the Exchange Act.

The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- reviewing any audit problems or difficulties and management's response with our independent registered public accounting firm;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of significant control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time; and
- meeting separately and periodically with management and our internal auditor and independent registered public accounting firm; and reporting regularly to the full board of directors.

### ***Compensation Committee***

Our compensation committee consists of Dr. Hanhua Wang, Mr. Zhiping Qi and Xiongping Yu. Dr. Wang satisfies the requirements for an “independent director” within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual.

The compensation committee is responsible for, among other things:

- approving and overseeing the compensation package for our chief executive officer and chief financial officer;
- reviewing and making recommendations to the board of directors with respect to the compensation of our directors;
- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and chief financial officer, evaluating the performance of our chief executive officer and chief financial officer in light of those goals and objectives, and setting the compensation level of our chief executive officer and chief financial officer based on such evaluation; and
- reviewing periodically and making recommendations to the board regarding any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

### ***Corporate Governance and Nominating Committee***

Our corporate governance and nominating committee consist of Dr. Hanhua Wang and Mr. Jian He. Dr. Wang satisfies the requirements for an “independent director” within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual.

The corporate governance and nominating committee is responsible for, among other things:

- identifying and recommending to the board nominees for election or re-election to the board of directors, or for appointment to fill any vacancy;
- conducting annual reviews of the board of director’s independence, qualifications and experiences in light of the availability of potential board of directors’ members; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our internal rules and procedures.

### **Duties of Directors**

Under Cayman Islands law, our directors have a fiduciary duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. We have the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- convening shareholders’ annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining their term of office; and
- exercising the borrowing powers of our company and mortgaging the property of our company; and approving the transfer of shares of our company, including registering such shares in our share register.

### **Corporate Governance**

Our board of directors has adopted a code of business conduct and ethics, which is applicable to all of our directors, officers and employees. Our code of business conduct and ethics is publicly available on our website.

In addition, our board of directors has adopted a set of corporate governance guidelines. The guidelines reflect certain guiding principles with respect to our board's structure, procedures and committees. The guidelines are not intended to change or interpret any laws, or our amended and restated memorandum and articles of association.

To strengthen our internal communication between management and board of directors, our board of directors has adopted a guideline on reporting material information, to illustrate the relevant information that needs to be reported to the board of directors in a timely manner. Such relevant information includes (i) changes in business strategy, (ii) quarterly financial performance reporting, (iii) entering material contracts, (iv) receiving inquiry letters or other information from any regulatory authorities and our management's draft response and (v) external announcement or statement (including media and regulatory authorities) etc.

### **Remuneration and Borrowing**

The directors may determine remuneration to be paid to the directors. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors. The directors may exercise all the powers of our company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whether outright or as security for any debt obligations of our company or of any third parties.

### **Qualification**

There is no requirement for our directors to own any shares in our company in order for them to qualify as a director.

### **Terms of Directors and Executive Officers**

Our officers are elected by and serve at the discretion of our board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by special resolution or the unanimous written resolution of all shareholders. A director will be removed from office automatically if, among other things, the director (1) dies or becomes bankrupt or makes any arrangement or composition with his creditors; or (2) is found a lunatic or becomes of unsound mind. We do not have service contracts with any of our directors that would provide our directors with benefits upon their termination.

### **D. Employees**

#### **Employees**

As of December 31, 2023, 2024 and 2025, we had 667, 422 and 345 full-time employees, respectively. Our employees are mainly based in Singapore, the PRC and the United States. The following table sets forth the number of our employees by function as of December 31, 2025:

	<b>Number of Employees</b>
Fulfillment	95
Selling and Marketing	125
Technology, Research and Development	87
General and Administrative	38
<b>Total</b>	<b>345</b>

We believe that we offer our employees competitive compensation packages and, as a result, we have generally been able to attract and retain qualified personnel and maintain a stable management team.

We generally enter into standard employment contracts with our employees, which contain non-compete provisions. Furthermore, we have entered into confidentiality agreements with many of our key employees that aim to protect our trademarks, designs, trade secrets and other intellectual property rights.

As stipulated by the regulations of the PRC, full-time employees of the Group are entitled to various government statutory employee benefit plans including pension, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing fund. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government. We also make payments to other defined contribution plans for the benefit of employees employed by subsidiaries outside of the PRC. The total amounts of contributions we made to employee benefit plans in 2023, 2024 and 2025 were \$6.8 million, \$4.4 million and \$3.0 million, respectively.

We believe that we have a good working relationship with our employees and we have not experienced any significant labor disputes.

#### **E. Share Ownership**

For information regarding the share ownership of our directors and officers, see “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.” For information as to stock options granted to our directors, executive officers and other employees, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans.”

#### **Enforceability of Civil Liabilities**

Our business operations are primarily conducted in Singapore, Hong Kong, mainland China and the United States. Among our directors and officers, Mr. Zhi Yan, Mr. Jian He, Mr. Zhiping Qi, Mr. Zhentao Wang, Mr. Xiongping Yu, Mr. Meng Lian, Ms. Ge Yan, Mr. Wei Yu, Mr. Peng Wu, Mr. Lei Deng, Mr. Bin Shi and Mr. Suhai Ji mainly reside in mainland China, while the other directors and officers all reside in the United States, and all or a substantial portion of their assets are located outside of the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, to bring an action against us or these individuals in the United States, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

The United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers, predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers, predicated upon the securities laws of the United States or any state in the United States. A judgment obtained in any federal or state court in the United States will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty, (v) is not inconsistent with a Cayman Islands judgment in respect of the same matter, and (vi) is not impeachable on the grounds of fraud and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the United States courts under the civil liability provisions of the securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

There is uncertainty as to whether the courts of mainland China would:

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

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts of mainland China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law and other applicable laws and regulations based either on treaties between mainland China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Mainland China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. As such, the courts of mainland China will review and determine the applicability of the reciprocity principle on a case-by-case basis and the length of the procedure is uncertain. In addition, according to the PRC Civil Procedures Law, courts in mainland China will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a court of mainland China would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against a company in mainland China for disputes if they can establish sufficient nexus to mainland China for a court of mainland China to have jurisdiction, and meet other procedural requirements. It will be, however, difficult for U.S. shareholders to originate actions against us in mainland China in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding the ADSs or ordinary shares, to establish a connection to mainland China for a court of mainland China to have jurisdiction as required under the PRC Civil Procedures Law.

Furthermore, the United States and Hong Kong do not have a bilateral treaty or multilateral convention in force on reciprocal recognition and enforcement of judgments. As a result, any United States judgment is enforceable in Hong Kong pursuant to the common law regime in Hong Kong for recognizing and enforcing foreign judgments, which provides that a foreign judgment is enforceable if (i) it is final and conclusive on the merits, (ii) the judgment has been rendered by a court of competent jurisdiction, (iii) the judgment must be for a fixed sum of money, (iv) the judgment must be between the same parties as those before the Hong Kong court, and (v) enforcement of the judgment is not a breach of natural justice or against public policy.

**F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation**

Not applicable.

**ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

**A. Major Shareholders**

The following table sets forth information with respect to beneficial ownership of our ordinary shares as of March 25, 2026 by:

- each of our directors and executive officers; and
- each person known to us to beneficially own 5% and more of our ordinary shares.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of this annual report, including through the exercise of any option, warrant or other right, the vesting of restricted shares or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

[Table of Contents](#)

The calculations in the table below is based on 215,321,575 ordinary shares outstanding as of March 25, 2026, being the total ordinary shares issued and outstanding based on our register of members maintained by our Cayman Islands share registrar, excluding (1) ordinary shares represented by the ADSs repurchased by the Company; (2) ordinary shares issued to the depositary that are issuable upon the exercise of share options outstanding and vesting of restricted shares issued to employees, or reserved for future award grants under our Plans; and (3) ordinary shares underlying restricted shares issued to the grantees under the Plan that are in the process of being cancelled.

Name	Number	Percent
<b>Directors and Executive Officers:</b>		
Zhi Yan <sup>(1)</sup>	61,188,512	28.4 %
Jian He <sup>(2)</sup>	52,470,426	24.4 %
Zhentaο Wang <sup>(3)</sup>	24,553,810	11.4 %
Wenyu Liu	5,149,848	2.4 %
Bin Shi	4,646,200	2.1 %
All directors and executive officers as a group	148,008,796	68.7 %
<b>Principal Shareholders:</b>		
Zall Development Investment Company Limited <sup>(1)</sup>	50,000,000	23.2 %
Conner Growth Holding Limited <sup>(2)</sup>	48,704,224	22.6 %
AOGANG International (Hong Kong) Corporation Limited <sup>(4)</sup>	24,553,810	11.4 %
IDG Entities <sup>(5)</sup>	12,168,780	5.7 %

Notes:

- (1) Represents (a) 42,500,000 ordinary shares and 625,000 ADSs representing 7,500,000 ordinary shares held by Zall Development Investment Company Limited (“Zall Development Investment”), (b) 745,709 ADSs, representing 8,948,512 ordinary shares held by Mr. Zhi Yan, (c) 2,240,000 ordinary shares, representing 186,666 ADSs held by Mr. Zhi Yan. Mr. Yan, the chairman of the board of directors and a director of the Company, is the sole beneficial owner of Zall Development Investment. The address of the principal office of Zall Development Investment is Suite 2101, 21 Floor, Two Exchange Square, Central, Hong Kong.
- (2) Represents (a) 4,058,685 ADSs, representing 48,704,224 ordinary shares held by Conner Growth Holding Limited (“Conner”), (b) 313,850 ADSs, representing 3,766,200 ordinary shares held by Jian He. Mr. He, CEO and a director of the Company, is the sole beneficial owner and the sole director of Conner. Conner is incorporated in the British Virgin Islands. The registered address of Conner is Sea Meadow House, P.O. Box 116. Road Town, Tortola, British Virgin Islands.
- (3) Represents 20,260,082 ordinary shares and 357,810 ADSs representing 4,293,728 ordinary shares held by AOGANG International (Hong Kong) Corporation Limited (“AOGANG International”). For a description of the beneficial ownership of our ordinary shares by AOGANG International, see Note 4 below. Mr. Wang disclaims beneficial ownership of our ordinary shares held by AOGANG International, except to the extent of his pecuniary interest in these shares.
- (4) Represents 20,260,082 ordinary shares and 357,810 ADSs representing 4,293,728 ordinary shares held by AOGANG International. AOGANG International, a limited liability company incorporated under the laws of Hong Kong, is directly and wholly owned by AoKang, a company incorporated under the laws of the Peoples’ Republic of China. Mr. Zhentaο Wang is the controlling person of AoKang and the sole director of AOGANG International. Of the total outstanding shares of AoKang: (a) AoKang Investment Holdings Co., Ltd. in which Mr. Zhentaο Wang and Mr. Chen Wang (son of Mr. Zhentaο Wang) directly holds 90% and 10%, respectively, of its total outstanding shares, directly holds 27.73%, (b) Mr. Zhentaο Wang directly holds 15.10%, (c) Mr. Jinquan Wang (brother of Mr. Zhentaο Wang) directly holds 4.98%. The registered address of AOGANG International is Rm 216, 2/F, 343 King’s Road, North Point, Hong Kong. The address of the principal office of AoKang is Aokang Industrial Park, Dongou Industrial District, Oubei Town, Yongjia County, Zhejiang Province, People’s Republic of China.

(5) Represents (a) 10,787,626 ordinary shares held by IDG China Venture Capital Fund IV L.P., a limited partnership organized under the laws of the Cayman Islands, and (b) 1,381,154 ordinary shares held by IDG China IV Investors L.P., a limited partnership organized under the laws of the Cayman Islands. The general partner of IDG China Venture Capital Fund IV L.P. is IDG China Venture Capital Fund IV Associates L.P., a limited partnership organized under the laws of the Cayman Islands. The general partner of IDG China Venture Capital Fund IV Associates L.P. is IDG China Venture Capital Fund GP IV Associates Ltd., a company organized under the laws of the Cayman Islands. The general partner of IDG China IV Investors L.P. is also IDG China Venture Capital Fund GP IV Associates Ltd. IDG China Venture Capital Fund IV L.P. and IDG China IV Investors L.P. are collectively referred to in this annual report as the IDG Entities. The directors of IDG China Venture Capital Fund GP IV Associates Ltd. are Chi Sing Ho and Quan Zhou. The registered office of IDG Entities is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

As of March 25, 2026, 215,321,575 of our ordinary shares were issued and outstanding, being the total ordinary shares issued and outstanding based on our register of members maintained by our Cayman Islands share registrar, excluding (1) ordinary shares represented by the ADSs repurchased by the Company; (2) ordinary shares issued to the depositary that are issuable upon the exercise of share options outstanding and vesting of restricted shares issued to employees, or reserved for future award grants under our 2008 Plan and 2019 Plan; and (3) ordinary shares underlying restricted shares issued to the grantees under the Plans that are in the process of being cancelled. Based on a review of our register of members, we believe that as of March 25, 2026, 136,442,790 ordinary shares, representing approximately 63.4% of our total outstanding shares, were held by four record shareholders, which includes 136,442,790 ordinary shares held of record by The Bank of New York Mellon, the depositary of our ADS program. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States. We are not aware of any arrangement that may at a subsequent date, result in a change of control of our company.

#### **B. Related Party Transactions**

Not applicable.

#### **Employment Agreements**

See “Item. 6 Directors, Senior Management and Employees—B. Compensation—Employment Agreements.”

#### **Share Options**

See “Item. 6 Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan.”

#### **C. Interests of Experts and Counsel**

Not applicable.

### **ITEM 8. FINANCIAL INFORMATION**

#### **A. Consolidated Statements and Other Financial Information**

See “Item 18. Financial Statements.”

#### **Legal and Administrative Proceedings**

We are not currently a party to any legal proceeding or investigation which, in the opinion of our management, is likely to have a material adverse effect on our business, financial condition or results of operations.

#### **Dividend Policy**

Since our inception, we have not declared or paid any dividends on our ordinary shares. We have no present plan to pay any dividends on our ordinary shares in the foreseeable future. We intend to retain most, if not all, of our available funds and any future earnings to operate our business.

Any future determination to pay dividends will be made at the discretion of our board of directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay the ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

**B. Significant Changes**

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

**ITEM 9. THE OFFER AND LISTING**

**A. Offer and Listing Details**

Our ADSs have been listed on the New York Stock Exchange since June 6, 2013 under the symbol “LITB.” In September 2024, we effected an ADS ratio change to adjust our ordinary share to ADS ratio from one ADS representing two ordinary shares to one ADS representing twelve ordinary shares.

**B. Plan of Distribution**

Not applicable.

**C. Markets**

Our ADSs have been listed on the New York Stock Exchange since June 6, 2013 under the symbol “LITB.” On or about September 4, 2024, we effected an ADS ratio change to adjust our ordinary share to ADS ratio from one ADS representing two ordinary shares to one ADS representing twelve ordinary shares.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

**ITEM 10. ADDITIONAL INFORMATION**

**A. Share Capital**

Not applicable.

## **B. Memorandum and Articles of Association**

We incorporate by reference into this annual report the description of our fourth amended and restated memorandum and articles of association contained in our [F-1 registration statement \(File No. 333-187965\), as amended, filed with the SEC on May 23, 2013](#). Our shareholders adopted our fourth amended and restated memorandum and articles of association by unanimous resolutions on the same date, and effective upon completion of our initial public offering of ordinary shares represented by our ADSs. We adopted an amendment to the fourth amended and restated memorandum and articles of association on August 17, 2018, which was filed with the SEC on March 31, 2023. On September 28, 2023, our shareholders adopted our fifth amended and restated memorandum and articles of association, which was filed with SEC on September 11, 2024. On October 11, 2024, our shareholders adopted our sixth amended and restated memorandum and articles of association, which is incorporated herein as Exhibit 1.2.

## **C. Material Contracts**

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or elsewhere in this annual report.

## **D. Exchange Controls**

See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Foreign Exchange.”

## **E. Taxation**

The following is a general summary of the material Cayman Islands, Singapore, Hong Kong, PRC and U.S. federal income tax consequences relevant to an investment in the ADSs and ordinary shares. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any particular prospective purchaser. The discussion is based on laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, the People’s Republic of China and the United States. You should consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of the ADSs and ordinary shares.

### **Cayman Islands Taxation**

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of our ADSs and ordinary shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands, or produced before a court of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is not a party to any double tax treaties applicable to payments made to or by us. There are no exchange control regulations or currency restrictions in the Cayman Islands.

### **Singapore Taxation**

Our subsidiaries incorporated in Singapore are subject to the Singapore corporate tax of 17% with respect to the profit generated from Singapore.

### **Hong Kong Taxation**

Our wholly owned subsidiaries in Hong Kong are subject to the uniform profit tax rate of 16.5% in Hong Kong. It is exempted from income tax on its foreign-derived income.

## PRC Taxation

Our subsidiaries incorporated in the PRC are subject to the general corporate tax of 25%, except for Beijing Lanting, which is subject to 15% of corporate tax rate from 2024 to 2026, and Shanghai Lanting which is subject to 15% corporate tax rate from 2022 to 2024, according to the new EIT Law and its implementation rules that permit certain High and New Technologies Enterprises, or HNTes, to enjoy a reduced 15% enterprise income tax rate if they meet certain criteria and are officially acknowledged.

According to Circular 82, a Chinese-controlled offshore-incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if conditions set forth in Circular 82 are met. We are not aware of any offshore holding companies with a corporate structure similar to ours that has been deemed a PRC “resident enterprise” by the PRC tax authorities. Although we do not believe that our legal entities organized outside of the PRC constitute PRC resident enterprises or meet all of the conditions above, it is possible that the PRC tax authorities could reach a different conclusion. In such case, we may be considered a resident enterprise and may therefore be subject to enterprise income tax at a rate of 25% on our global income.

Furthermore, if we are considered a PRC resident enterprise and the competent PRC tax authorities consider dividends we pay with respect to our shares or ADSs and the gains realized from the transfer of our shares or ADSs to be income derived from sources within the PRC, the dividends we pay to our overseas shareholders or ADS holders who are non-resident individuals, and gains realized by those shareholders or ADS holders from the transfer of our shares or ADSs, may be subject to PRC individual income tax at a rate of 20%, unless any of the non-resident individuals’ jurisdictions has a tax treaty with China that provides for a preferential tax rate or a tax exemption. It is also unclear whether, if we are considered a PRC resident enterprise, holders of our shares or ADSs would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

See “Item 3. Key Information — D. Risk Factors — Risks Related to our corporate structure — We may be deemed a PRC resident enterprise under the New EIT Law and be subject to PRC taxation on our income.”

## Material United States Federal Income Tax Considerations

The following summary describes the material United States federal income tax consequences to United States Holders (as defined below) of the ownership of our ordinary shares and ADSs as of the date hereof. Except where noted, this summary deals only with ordinary shares and ADSs held as capital assets. As used herein, the term “United States Holder” means a beneficial owner of an ordinary share or ADS that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a U.S. expatriate;
- a tax-exempt organization;
- a person holding our ordinary shares or ADSs as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;

- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of our stock (by vote or value);
- a person who acquired ordinary shares or ADSs pursuant to the exercise of any employee share option or otherwise as compensation;
- a partnership or other pass-through entity for United States federal income tax purposes;
- a person required to accelerate the recognition of any item of gross income with respect to our ordinary shares or ADSs as a result of such income being recognized on an applicable financial statement; or
- a person whose “functional currency” is not the United States dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be replaced, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. In addition, this summary is based, in part, upon representations made by the depository to us and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds our ordinary shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our ordinary shares or ADSs, you should consult your tax advisors.

This summary does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income, or the effects of any state, local or non-United States tax laws. If you are considering the purchase, ownership or disposition of our ordinary shares or ADSs, you should consult your own tax advisors concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under other United States federal tax laws and the laws of any other taxing jurisdictions.

#### ***ADSs***

If you hold ADSs you generally will be treated, for United States federal income tax purposes, as the owner of the underlying ordinary shares that are represented by such ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to United States federal income tax.

#### ***Taxation of Dividends***

Subject to the discussion under “Passive Foreign Investment Company” below, the gross amount of distributions on the ADSs or ordinary shares (including any amounts withheld to reflect PRC withholding taxes) will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you, in the case of the ordinary shares, or by the depository, in the case of ADSs. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

With respect to non-corporate United States investors, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on ordinary shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States. United States Treasury Department guidance indicates that the ADSs, which are listed on the New York Stock Exchange, are readily tradable on an established securities market in the United States. Thus, we believe that dividends we pay on ordinary shares represented by the ADSs will meet the conditions required for the reduced tax rates. Since we do not expect that our ordinary shares will be listed on an established securities market, we do not believe that dividends that we pay on our ordinary shares that are not represented by ADSs currently meet the conditions required for these reduced tax rates. There can be no assurance that the ADSs will be considered readily tradable on an established securities market in later years. A qualified foreign corporation also includes a foreign corporation that is eligible for the benefits of certain income tax treaties with the United States. In the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we may be eligible for the benefits of the income tax treaty between the United States and the PRC (the “Treaty”), and if we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by ADSs, would be eligible for the reduced rates of taxation whether or not such shares are readily tradable on an established securities market in the United States. See “—PRC Taxation.” Non-corporate United States Holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as “investment income” pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Non-corporate United States Holders will not be eligible for reduced rates of taxation on any dividends received from us, if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. You should consult your own tax advisors regarding the application of these rules given your particular circumstances.

In the event that we are deemed to be a PRC resident enterprise under the PRC tax law, you may be subject to PRC withholding taxes on dividends paid to you with respect to the ADSs or ordinary shares. See “—PRC Taxation.” In that case, subject to certain conditions and limitations, PRC withholding taxes on dividends may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the ADSs or ordinary shares will be treated as foreign-source income and will generally constitute passive category income. However, in certain circumstances, if you have held the ADSs or ordinary shares for less than a specified minimum period during which you are not protected from risk of loss, or are obligated to make payments related to the dividends, you will not be allowed a foreign tax credit for any PRC withholding taxes imposed on dividends paid on the ADSs or ordinary shares. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, as determined under United States federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the ADSs or ordinary shares (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by you on a subsequent disposition of the ADSs or ordinary shares), and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange. However, we do not expect to determine our earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend (as discussed above).

### ***Passive Foreign Investment Company***

Based on the composition of our income and assets, and the valuation of our assets, including goodwill, we do not believe that we were a PFIC for 2025. However, as the determination of our PFIC status is based on an annual determination that cannot be made until the close of a taxable year, and involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income we earn, our United States counsel expresses no opinion with respect to our PFIC status.

In general, we will be a PFIC for any taxable year in which:

- at least 75% of our gross income is passive income, or
- at least 50% of the value (determined on a quarterly basis) of our assets is attributable to assets that produce or are held for the production of passive income.

The determination of whether we are a PFIC is made annually. Accordingly, it is possible that we may become a PFIC in the current or any future taxable year due to changes in our asset or income composition. Because we have valued our goodwill based on the market value of our equity, and given the volatility of the market price of the ADSs, a decrease in the price of the ADSs may also result in our becoming a PFIC. If we are a PFIC for any taxable year during which you hold the ADSs or ordinary shares, you will be subject to special tax rules discussed below.

If we are a PFIC for any taxable year during which you hold the ADSs or ordinary shares and you do not make a timely mark-to-market election (as described below), you will be subject to special tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition, including a pledge, of ADSs or ordinary shares. Distributions received in a taxable year will be treated as excess distributions to the extent that they are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,
- the amount allocated to the current taxable year, and any taxable year in your holding period prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the ADSs or ordinary shares cannot be treated as capital gain, even if you hold the ADSs or ordinary shares as capital assets.

Although the determination of whether we are a PFIC is made annually, if we are a PFIC for any taxable year in which you hold our ADSs or ordinary shares, you will generally be subject to the special tax rules described above for that year and for each subsequent year in which you hold the ADSs or ordinary shares (even if we do not qualify as a PFIC in such subsequent years).

However, if we cease to be a PFIC, you can avoid the continuing impact of the PFIC rules by making a special election to recognize gain as if your ADSs or ordinary shares had been sold on the last day of the last taxable year during which we were a PFIC. You are urged to consult your own tax advisor about this election.

In certain circumstances, in lieu of being subject to the excess distribution rules discussed above, you may make an election to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such stock is regularly traded on a qualified exchange. Under current law, the mark-to-market election may be available to United States Holders of ADSs because the ADSs are listed on the New York Stock Exchange, which constitutes a qualified exchange, although there can be no assurance that the ADSs will be “regularly traded” for purposes of the mark-to-market election. It should also be noted that it is intended that only the ADSs and not the ordinary shares will be listed on the New York Stock Exchange. Consequently, if you are a United States Holder of ordinary shares that are not represented by ADSs, you generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If you make an effective mark-to-market election, you will include in each year that we are a PFIC as ordinary income the excess of the fair market value of your ADSs at the end of your taxable year over your adjusted tax basis in the ADSs. You will be entitled to deduct as an ordinary loss in each such year the excess of your adjusted tax basis in the ADSs over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If you make an effective mark-to-market election, in each year that we are a PFIC any gain you recognize upon the sale or other disposition of your ADSs will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

Your adjusted tax basis in the ADSs will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If you make a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election. You are urged to consult your tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in your particular circumstances.

Alternatively, you can sometimes avoid the PFIC rules described above by electing to treat a PFIC as a “qualified electing fund” under Section 1295 of the Code. However, this option likely will not be available to you because we do not intend to comply with the requirements necessary to permit you to make this election.

If we are a PFIC for any taxable year during which you hold the ADSs or ordinary shares and any of our non-United States subsidiaries is also a PFIC or we make direct or indirect equity investments in other entities that are PFICs, a United States Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

You will generally be required to file Internal Revenue Service Form 8621 if you hold our ADSs or ordinary shares in a year in which we are classified as PFIC. You are urged to consult your tax advisors concerning the United States federal income tax consequences of holding ADSs or ordinary shares if we are considered a PFIC in any taxable year.

### ***Taxation of Capital Gains***

For United States federal income tax purposes, you will recognize taxable gain or loss on any sale or exchange of ADSs or ordinary shares in an amount equal to the difference between the amount realized for the ADSs or ordinary shares and your tax basis in the ADSs or ordinary shares. Subject to the discussion under “—Passive Foreign Investment Company” above, such gain or loss will generally be capital gain or loss. Capital gains of non-corporate United States Holders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by you will generally be treated as United States source gain or loss for foreign tax credit limitation purposes.

However, if we are treated as a PRC “resident enterprise” for PRC tax purposes and PRC tax was imposed on any gain, and if you are eligible for the benefit of the Treaty, you may elect to treat such gain as PRC source gain. If you are not eligible for the benefits of the Treaty or you fail to make the election to treat any gain as PRC source, then you may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares unless such credit can be applied (subject to applicable limitations) against tax due on other income derived from foreign sources. You are urged to consult your tax advisors regarding the tax consequences if any PRC tax is imposed on gain on a disposition of the ADSs or ordinary shares, including the availability of the foreign tax credit and the election to treat any gain as PRC source, under your particular circumstances.

### ***Information Reporting and Backup Withholding***

In general, information reporting will apply to dividends in respect of the ADSs or ordinary shares and the proceeds from the sale, exchange or other disposition of the ADSs or ordinary shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the Internal Revenue Service in a timely manner.

### ***Additional Reporting Requirements***

Certain United States Holders are required to report information relating to an interest in the ADSs or ordinary shares, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold ADSs or ordinary shares. United States Holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of the ADSs and ordinary shares.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statement by Experts**

Not applicable.

**H. Documents on Display**

As allowed by the SEC, in Item 19 of this annual report, we incorporate by reference certain information we previously filed with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this annual report.

You may read and copy this annual report, including the exhibits incorporated by reference in this annual report, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and at the SEC's regional offices in New York, New York and Chicago, Illinois. You can also request copies of this annual report, including the exhibits incorporated by reference in this annual report, upon payment of a duplicating fee, by writing information on the operation of the SEC's Public Reference Room.

The SEC also maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports and other information regarding registrants that file electronically with the SEC. Our annual report and some of the other information submitted by us to the SEC may be accessed through this website.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

In accordance with NYSE Rule 203.01, we will post this annual report on our website. In addition, we will provide hardcopies of our annual report to shareholders, including ADS holders, free of charge upon request.

**I. Subsidiary Information**

Not applicable.

**J. Annual Report to Security Holders**

Not applicable.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Interest Rate Risk**

Our exposure to interest rate risk primarily relates to the interest income generated by our bank deposits, which are unrestricted as to withdrawal and use, and the interest expense incurred by our short-term borrowings. We have not used any derivative financial instruments to manage our interest risk exposure. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates. However, our future interest expense may increase and our future interest income may be lower than expected due to changes in market interest rates.

## **Foreign Exchange Risk**

Our reporting currency is U.S. dollar, however the functional currency of some of our subsidiaries is generally the applicable local currency. Therefore, the net revenue, expenses, assets, and liabilities of some of our subsidiaries are translated from their functional currencies into U.S. dollars. Fluctuations in the values of U.S. dollar affect the reported amounts of net revenue, expenses, assets, and liabilities. Foreign currency exchange differences which arise on the translation of the subsidiaries' balance sheets into U.S. dollars are recorded as other comprehensive income / (loss), net of tax in accumulated other comprehensive income or loss within stockholders' equity.

The value of the U.S. dollar against other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuations of the Renminbi against the U.S. dollar.

We also have exposure to changes in foreign currency exchange rates associated with transactions which are undertaken by our subsidiaries in currencies other than their functional currency. Such transactions include sales denominated in currencies other than the functional currencies of the selling entities as our revenue are generated from more than 100 countries and regions using different currencies, and expenditures denominated in currencies other than the functional currencies of the purchase entities. As a result, we have been impacted by changes in foreign currency exchange rates and may be impacted for the foreseeable future when we settle or remeasure the monetary assets and liabilities denominated in currencies that are not the local currency resulting from the above-mentioned sales, purchase and other transactions.

We considered the historical trends in foreign currency exchange rates and determined that it is reasonably possible that adverse changes in foreign currency exchange rates of 10% for all currencies could be experienced in the near-term. These changes were applied to our total monetary assets and liabilities denominated in currencies other than our local currencies at the balance sheet date to compute the impact these changes would have had on our net income before income taxes. These changes would have resulted in a gain or loss of \$0.3 million at December 31, 2025, assuming no foreign currency hedging.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

### **A. Debt Securities**

Not applicable.

### **B. Warrants and Rights**

Not applicable.

### **C. Other Securities**

Not applicable.

**D. American Depositary Shares**

**Fees Paid by Our ADS Holders**

As an ADS holder, you will be required to pay the following service fees to the depositary, The Bank of New York Mellon:

**Persons depositing or withdrawing shares or ADS holders must pay:**

	<b>For:</b>
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	<ul style="list-style-type: none"> <li>• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property</li> </ul>
	<ul style="list-style-type: none"> <li>• Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates</li> </ul>
\$.05 (or less) per ADS	<ul style="list-style-type: none"> <li>• Any cash distribution to ADS holders</li> </ul>
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	<ul style="list-style-type: none"> <li>• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders</li> </ul>
\$.05 (or less) per ADS per calendar year	<ul style="list-style-type: none"> <li>• Depositary services Registration or transfer fees</li> </ul>
Registration or transfer fees	<ul style="list-style-type: none"> <li>• Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares</li> </ul>
Expenses of the depositary	<ul style="list-style-type: none"> <li>• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)</li> </ul>
	<ul style="list-style-type: none"> <li>• converting foreign currency to U.S. dollars</li> </ul>
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	<ul style="list-style-type: none"> <li>• As necessary</li> </ul>
Any charges incurred by the depositary or its agents for servicing the deposited securities	<ul style="list-style-type: none"> <li>• As necessary</li> </ul>

As an ADS holder you will also be responsible to pay certain fees and expenses incurred by the depositary and certain taxes and governmental charges such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.

[Table of Contents](#)

Depository fees payable upon the issuance and cancellation of ADSs are typically paid to the depository bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depository bank and by the brokers (on behalf of their clients) delivering the ADSs to the depository bank for cancellation. The brokers in turn charge these fees to their clients. Depository fees payable in connection with distributions of cash or securities to ADS holders and the depository services fee are charged by the depository bank to the holders of record of ADSs as of the applicable ADS record date.

The Depository fees payable for cash distributions are generally deducted from the cash being distributed. In the case of distributions other than cash (i.e. stock dividend, rights), the depository bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depository bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depository bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depository banks.

In the event of refusal to pay the depository fees, the depository bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depository fees from any distribution to be made to the ADS holder.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depository. You will receive prior notice of such changes.

In February 2025, we returned reimbursement of approximately US\$10,000 to the depository in relation to the implementation of ADS ratio change.

## **PART II**

### **ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

### **ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

See “Item 10. Additional Information” for a description of the rights of securities holders, which remain unchanged.

### **ITEM 15. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act, at December 31, 2025. Based on that evaluation, our principal executive officer and principal financial officer have concluded that, as of December 31, 2025, our disclosure controls and procedures were effective in ensuring that material information required to be disclosed in this annual report is recorded, processed, summarized and reported to them for assessment, and required disclosure is made within the time period specified in the rules and forms of the SEC.

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

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designated to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company’s assets that could have a material effect on the consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our company’s internal control over financial reporting as of December 31, 2025 based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

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

There were no changes in our internal control over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **ITEM 16. [RESERVED]**

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Dr. Hanhua Wang qualifies as “audit committee financial expert” as defined in Item 16A of Form 20-F. All three members of our audit committee satisfy the “independence” requirements of the NYSE rules and Rule 10A-3(b)(1) under the Exchange Act.

**ITEM 16B. CODE OF ETHICS**

Our board of directors has adopted a code of ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our executive officers, including our principal executive and financial officers, president and vice presidents and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (File Number 333-187965), as amended, initially filed with the SEC on April 17, 2013. The code is also available on our official website under the investor relations section at <http://ir.ador.com>.

We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person’s written request.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

**Audit Fees**

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditors for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	Years Ended December 31,	
	2024	2025
	(U.S. dollars in thousands)	
Audit Fees <sup>(1)</sup>		
Marcum Asia CPAs LLP	\$ 597	\$ 587

(1) “Audit fees” represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal auditors for the audit of our annual financial statements or services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our principal external auditors, including audit services and audit-related services as described above, other than those for de minimis services which are approved by the Audit Committee prior to the completion of the audit.

**Audit of Financial Statements**

Marcum Asia CPAs LLP has been our principal auditor since August, 2022 and no audit work was performed by persons outside of this firm.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS****Share Repurchase Program**

On March 31, 2025, we announced the implementation and the execution of a share repurchase program of up to US\$0.7 million of our ordinary shares in the form of American Depositary Shares through June 30, 2025, and further extended to December 31, 2025, then further to June 30, 2026, with total repurchase amount up to US\$3.0 million, on the open market at prevailing market prices, in open-market transactions, privately negotiated transactions or block trades. As of March 25, 2026, our ADSs at the cost of \$1.1 million were repurchased under this program.

The following table sets forth information about our purchases of outstanding ADSs from March 31, 2025 to March 25, 2026.

Periods	Total Number of ADSs Purchased	Average Price Paid per ADS	Total Number of ADSs Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Approximate Dollar Value of ADSs that May Yet Be purchased Under the Program <sup>(1)</sup>
March 2025	3,158	1.48	3,158	3.00
April 2025	108,087	1.85	108,087	2.80
June 2025	2,500	1.20	2,500	2.79
July 2025	29,255	1.27	29,255	2.76
August 2025	27,734	1.26	27,734	2.72
September 2025	59,063	2.05	59,063	2.60
October 2025	110,536	2.46	110,536	2.33
December 2025	21,300	2.47	21,300	2.28
January 2026	82,373	2.72	82,373	2.05
February 2026	41,133	2.71	41,133	1.94
March 2026	21,641	2.57	21,641	1.88
<b>Total</b>	<b>506,780</b>	<b>2.20</b>	<b>506,780</b>	<b>1.94</b>

(1) Under our share purchase programs announced in March 2025, repurchases of our ADSs have been and will be, made from time to time on the open market at prevailing market prices or in privately negotiated transactions or block trades subject to the restrictions relating to volume, price and timing.

The share repurchase program was implemented in a manner consistent with market conditions, the interest of the shareholders, the trading price of the ADSs and in compliance with relevant rules under the Exchange Act.

**ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not applicable.

**ITEM 16G. CORPORATE GOVERNANCE**

We are a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act), and our ADSs, each representing twelve ordinary shares, are listed on the New York Stock Exchange. Under Section 303A of the New York Stock Exchange Listed Company Manual, New York Stock Exchange listed companies that are foreign private issuers are permitted to follow home country practice in lieu of the corporate governance provisions specified by the New York Stock Exchange with limited exceptions. The following summarizes some significant ways in which our corporate governance practices differ from those followed by domestic companies under the listing standards of the New York Stock Exchange.

Under the New York Stock Exchange Listed Company Manual, or the NYSE Manual, U.S. domestic listed companies are required to have a compensation committee and a nominating/corporate governance committee, each composed entirely of independent directors, which are not required under the Companies Act (As Revised) of the Cayman Islands, our home country. Currently, our compensation committee is composed of three members, only one of whom is an independent director. Our corporate governance and nominating committee is composed of two members, only one of whom is an independent director. The NYSE Manual also requires U.S. domestic listed companies to regularly hold executive sessions for non-management directors, or an executive session that only includes independent directors at least once a year. We are not subject to this requirement under the Cayman Islands law and have decided to follow our home country practice on this matter. In addition, the NYSE Manual requires shareholders' approval for certain matters, such as requiring that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans, which is not required under the Cayman Islands law. Furthermore, the NYSE Manual requires U.S. domestic listed companies to hold an annual shareholders' meeting during each fiscal year, which is not required under the Cayman Islands law. We intend to follow the home country practice in determining whether shareholders' approval is required.

#### **ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

#### **ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

#### **ITEM 16J. INSIDER TRADING POLICIES**

We have adopted an insider trading policy that governs the purchase, sale, and other dispositions of our ADSs by officers, directors, employees, and consultants that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and listing standards. A copy of the policy is included as Exhibit 11.2 to the Form 20-F.

#### **ITEM 16K. CYBERSECURITY**

##### **Cybersecurity Risk Management and Strategy**

The security of our products, services and company networks is our top priority. We recognize the importance of assessing, identifying and managing significant risks associated with cybersecurity threats. These risks include operational risks, intellectual property infringement, fraud, extortion, damage caused to employees, customers, business partners or the public, violations of privacy or security laws and other litigation and legal risks and reputational risks.

We attach great importance to our customer data and have implemented cybersecurity policies throughout our operations, including standardizing product quality through security reviews before prioritizing cybersecurity into design throughout the product and service lifecycle. Security departments combine external research and intelligence gathering to keep the company informed of new and evolving cyber risks.

We have implemented various cybersecurity processes, technologies and controls to help us assess, identify and manage significant risks imposed by cybersecurity threats and to protect, detect and respond to cybersecurity incidents. The measures we have taken include:

- The formation of an Information Security Committee principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents.
- The security department implements cybersecurity policies based on the company's development needs and legal requirements. These policies include, but not limited to, the Information Security Management Strategy, Risk Assessment Management Measures, Network Security Management Measures, and Network and Information Security Incident Emergency Response Process and Plans.

- All company employees are required to complete annual comprehensive information security trainings, and R&D personnels are required to complete annual security coding training. Monthly information security tips are sent to all employees via email and instant messaging tools, which includes highlighted specific threats and scenarios identified based on our analysis of current organizational risks.
- The security department establishes a standardized security operation system, which includes monitoring the security of host systems through intrusion detection systems and file change management systems. Automated black-box vulnerability scanning and white-box code scanning are conducted through scanning softwares. Advanced web application firewalls are employed to block attacks. Alerts are identified and addressed on a daily basis.
- Every year, based on our network security incident response plan, we strengthen internal cross-functional coordination and implement security incident drills to strengthen security incident management; and the DBA (*“Database Administrator”*) and operation and maintenance teams regularly perform disaster recovery drills.
- The security department conducts an annual assessment of information security risks and notifies the Information Security Committee. External consultants are hired to conduct regular penetration testing and participate in red teaming exercises. The security department drives the closure of internal risk-related issues.

These measures demonstrate our commitment to ensuring the security of our products, services, and company networks, as well as protecting the confidentiality, integrity, and availability of our customer data. We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See “Item 3. Key Information—D. Risk Factors — Risks Relating to Our Business — Cybersecurity incidents, including data security breaches or computer viruses, could harm our business by disrupting our delivery of services, damaging our reputation or exposing us to liability.”

### **Cybersecurity Governance**

Cybersecurity is an important part of our risk management processes and an area of focus for our board of directors and management. Accordingly, an Information Security Committee has been formed to enhance organizational coordination and standardized information security practices of the Company. The Chief Technology Officer serves as the committee chairman, and members include leaders from R&D and Digital Marketing Center such as Product Department, R&D Department, Operations Department, Database Administrator Department, Security Department. Meetings are held on the 14th of every month to discuss significant security projects. The Operations Director reports the progress of information security work to the Chief Technology Officer every two weeks via email, and the PMO (“Project management officer”) discusses major security projects weekly via email.

Our management oversees efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our IT Systems environment.

Our board of directors receives regular reports from management on our cybersecurity risks. In addition, management updates our board of directors, as necessary, regarding any significant cybersecurity incidents. Our board of directors also receives briefings from management on our cyber risk management system.

## **PART III**

### **ITEM 17. FINANCIAL STATEMENTS**

We have elected to provide financial statements pursuant to Item 18.

### **ITEM 18. FINANCIAL STATEMENTS**

The consolidated financial statements and the related notes required by Item 18 are included in this annual report, beginning on page F-1. The report of Marcum Asia CPAs LLP, the Company’s independent registered accounting firm with respect to the referenced financial statements, is included on page F-2.

**ITEM 19. EXHIBITS.**

<b>Exhibit Number</b>	<b>Description of Document</b>
1.1††††	<a href="#">Sixth Amended and Restated Memorandum and Articles of Association of the Registrant as currently in effect</a>
2.1*	<a href="#">Registrant's Form of Ordinary Share Certificate</a>
2.2†	<a href="#">Form of Deposit Agreement between the Registrant and The Bank of New York Mellon, as depository and Owners and Holders of the American Depositary Shares issued therein</a>
2.3†	<a href="#">Form of American depository receipt evidencing American depository shares (included in Exhibit 2.2)</a>
2.6**	<a href="#">Investor Rights Agreement dated as of March 30, 2016 between the Registrant and Zall Cross-Border E- Commerce Investment Company Limited, Mr. Alan Quji Guo and Wincore Holdings Limited</a>
4.1*	<a href="#">Form of Indemnification Agreement between the Registrant and its directors and executive officers</a>
4.2*	<a href="#">Form of Employment Agreement between the Registrant and its executive officers</a>
4.3††	<a href="#">2019 Share Incentive Plan of the Registrant</a>
4.4†††	<a href="#">Subscription Agreement dated as of March 17, 2016 between Zall Cross-Border E-Commerce Investment Company Limited and LightInTheBox Holding Co., Ltd.</a>
4.5**	<a href="#">Warrant to Purchase Ordinary Share of LightInTheBox Holding Co., Ltd. dated as of March 30, 2016 among the Registrant and Zall Cross-Border E-Commerce Investment Company Limited</a>
4.6***	<a href="#">Share Purchase Agreement, dated as of November 7, 2018, by and among the Company and the parties set forth therein</a>
8.1	<a href="#">List of Major Subsidiaries of the Registrant</a>
11.1*	<a href="#">Code of Business Conduct and Ethics of the Registrant</a>
11.2*****	<a href="#">Insider Trading Policy</a>
12.1	<a href="#">Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
12.2	<a href="#">Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
13.1	<a href="#">Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
13.2	<a href="#">Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
15.1	<a href="#">Consent of Marcum Asia CPAs LLP</a>
97.1****	<a href="#">Recovery Policy</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Previously filed with the Registration Statement on Form F-1 (File No. 333-187965), initially filed on April 17, 2013 and incorporated herein by reference.

[Table of Contents](#)

- † Previously filed with the Registration Statement on Form F-6 (File No. 333-188794), dated May 23, 2013 and incorporated herein by reference.
- †† Incorporated by reference to an exhibit to the Form 6-K (File No. 001-35942) filed with the Securities and Exchange Commission on January 25, 2019.
- ††† Incorporated by reference to an exhibit to the Form 6-K (File No. 001-35942) filed with the Securities and Exchange Commission on March 17, 2016.
- \*\* Previously filed with our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-35942) filed on April 29, 2019 and incorporated herein by reference.
- \*\*\* Previously filed with our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-35942) filed on April 29, 2019 and incorporated herein by reference.
- †††† Incorporated by reference to an exhibit to the Form 6-K (File No. 001-35942) filed with the Securities and Exchange Commission on September 11, 2024.
- \*\*\*\* Previously filed with our annual report on Form 20-F for the fiscal year ended December 31, 2023 (File No. 001-35942) filed on March 28, 2024 and incorporated herein by reference.
- \*\*\*\*\* Previously filed with our annual report on Form 20-F for the fiscal year ended December 31, 2024 (File No. 001-35942) filed on April 1, 2025 and incorporated herein by reference.

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**LightInTheBox Holding Co., Ltd.**

By: /s/ Jian He

\_\_\_\_\_  
Name: Jian He

Title: Chief Executive Officer

Date: April 2, 2026

LIGHTINTHEBOX HOLDING CO., LTD.

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

<b>CONTENTS</b>	<b>PAGE</b>
<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID: 5395)</a>	F-2
<a href="#">Consolidated Balance Sheets as of December 31, 2024 and 2025</a>	F-4
<a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2023, 2024 and 2025</a>	F-5
<a href="#">Consolidated Statements of Comprehensive (Loss) / Income for the Years Ended December 31, 2023, 2024 and 2025</a>	F-6
<a href="#">Consolidated Statements of Changes in Shareholders' Deficit for the Years Ended December 31, 2023, 2024 and 2025</a>	F-7
<a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2024 and 2025</a>	F-8
<a href="#">Notes to Consolidated Financial Statements for the Years Ended December 31, 2023, 2024 and 2025</a>	F-9

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of LightInTheBox Holding Co., Ltd.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of LightInTheBox Holding Co., Ltd. (the “Company”) as of December 31, 2024 and 2025, the related consolidated statements of operations, comprehensive (loss) / income, changes in shareholders’ deficit and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Revenue recognition — Refer to Notes 2 to the financial statements**

Critical Audit Matter Description

The Company recognizes revenue when the products or logistics service are delivered, and title is passed to customers. Because of the online nature of the business, the Company uses a suite of automated information technology (“IT”) systems to process and record its revenue transactions.

We identified revenue as a critical audit matter considering the nature of the audit evidence obtained is largely dependent on the Company’s IT systems. This required an increased extent of effort to determine the nature, timing and extent of audit evidence required to be obtained, including the need for us to involve IT professionals to assist with the performance of certain procedures.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the Company’s systems to process product revenues transactions included the following, among others:

- With the assistance of our IT professionals, we:
  - Identified relevant IT systems used to process revenue transactions and tested the general IT controls over each of these IT systems, including testing of user access controls, change management controls, and data center & network operation controls.
  - Performed testing of relevant automated controls and interface controls of the relevant IT systems.
- We analyzed transactional revenue data for trends and reasonableness.
- We tested, on a sample basis, by agreeing the recorded revenues to supporting documents including but not limited to executed customer orders, product delivery evidence with acceptance by customers and cash collections to evaluate whether the revenues were properly recorded.

/s/ Marcum Asia CPAs LLP  
Marcum Asia CPAs LLP

We have served as the Company’s auditor since 2022.  
Beijing, the People’s Republic of China  
April 2, 2026

LIGHTINTHEBOX HOLDING CO., LTD.

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands, except share data and per share data, or otherwise noted)

	Notes	December 31,	
		2024	2025
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 17,945	\$ 23,629
Restricted cash		1,800	2,319
Accounts receivable, net		976	1,355
Inventories		3,641	4,943
Prepayments and other current assets, net	3	2,610	1,884
<b>Total current assets</b>		<b>26,972</b>	<b>34,130</b>
Property and equipment, net	4	2,185	1,313
Intangible assets, net	6	2,745	2,180
Goodwill	5	26,663	27,800
Operating lease right-of-use assets	7	9,930	6,068
Long-term rental deposits		806	434
Long-term investments		73	77
<b>TOTAL ASSETS</b>		<b>\$ 69,374</b>	<b>\$ 72,002</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			
<b>Current Liabilities</b>			
Short-term borrowings		\$ 685	\$ 715
Accounts payable		10,378	12,309
Advance from customers		8,357	9,194
Operating lease liabilities	7	4,047	2,818
Accrued expenses and other current liabilities	8	54,091	48,956
<b>Total current liabilities</b>		<b>77,558</b>	<b>73,992</b>
Operating lease liabilities	7	4,780	1,886
Deferred tax liabilities	12	101	107
Unrecognized tax benefits	12	107	—
<b>TOTAL LIABILITIES</b>		<b>\$ 82,546</b>	<b>\$ 75,985</b>
Commitments and contingencies		—	—
<b>SHAREHOLDERS' DEFICIT</b>			
Ordinary shares (\$0.000067 par value; 750,000,000 shares authorized; 244,955,045 and 244,955,045 shares issued as of December 31, 2024 and 2025, respectively; 220,668,763 and 217,063,339 shares outstanding as of December 31, 2024 and 2025, respectively)	9	\$ 17	\$ 17
Additional paid-in capital		282,766	280,646
Treasury shares (24,248,036 and 27,853,460 shares as of December 31, 2024 and 2025, respectively)		(30,880)	(29,392)
Statutory reserves		390	396
Accumulated other comprehensive loss		(3,265)	(1,723)
Accumulated deficit		(262,200)	(253,927)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<b>(13,172)</b>	<b>(3,983)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		<b>\$ 69,374</b>	<b>\$ 72,002</b>

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

LIGHTINTHEBOX HOLDING CO., LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(U.S. dollars in thousands, except per share data, or otherwise noted)

	Notes	Years ended December 31		
		2023	2024	2025
Revenues				
Product sales	16	\$ 617,240	\$ 243,700	\$ 215,775
Services and others	16	12,188	11,587	8,540
<b>Total revenues</b>		<b>629,428</b>	<b>255,287</b>	<b>224,315</b>
Cost of revenues				
Product sales	16	265,964	98,926	76,683
Services and others	16	3,532	2,869	1,756
<b>Total cost of revenues</b>		<b>269,496</b>	<b>101,795</b>	<b>78,439</b>
<b>Gross profit</b>		<b>359,932</b>	<b>153,492</b>	<b>145,876</b>
Operating expenses				
Fulfillment		34,916	18,932	16,593
Selling and marketing		302,694	111,919	102,498
General and administrative		34,078	25,735	19,562
Other operating income, net		(1,361)	(876)	(743)
<b>Total operating expenses</b>		<b>370,327</b>	<b>155,710</b>	<b>137,910</b>
<b>(Loss) / income from operations</b>		<b>(10,395)</b>	<b>(2,218)</b>	<b>7,966</b>
Interest income		350	90	7
Interest expense		(4)	—	(17)
Other income / (expense), net		499	(400)	262
<b>Total other income / (expense)</b>		<b>845</b>	<b>(310)</b>	<b>252</b>
<b>(Loss) / income before income tax</b>		<b>(9,550)</b>	<b>(2,528)</b>	<b>8,218</b>
Income tax (expense) / benefit	12	(40)	39	61
<b>Net (loss) / income</b>		<b>(9,590)</b>	<b>(2,489)</b>	<b>8,279</b>
<b>Net (loss) / income attributable to LightInTheBox Holding Co., Ltd.</b>		<b>(9,590)</b>	<b>(2,489)</b>	<b>8,279</b>
<b>Net (loss) / income per ordinary share – basic</b>	13	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>
<b>Net (loss) / income per ordinary share – diluted</b>	13	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>

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

**LIGHTINTHEBOX HOLDING CO., LTD.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME**  
**(U.S. dollars in thousands, or otherwise noted)**

	Years ended December 31		
	2023	2024	2025
<b>Net (loss) / income</b>	<b>\$ (9,590)</b>	<b>\$ (2,489)</b>	<b>\$ 8,279</b>
<b>Other comprehensive (loss) / income:</b>			
Foreign currency translation adjustment, net of nil income taxes	(832)	(1,409)	1,542
<b>Total comprehensive (loss) / income:</b>	<b>\$ (10,422)</b>	<b>\$ (3,898)</b>	<b>\$ 9,821</b>
<b>Comprehensive (loss) / income attributable to LightInTheBox Holding Co., Ltd.</b>	<b>\$ (10,422)</b>	<b>\$ (3,898)</b>	<b>\$ 9,821</b>

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

LIGHTINTHEBOX HOLDING CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT  
(U.S. dollars in thousands, except share data, or otherwise noted)

	Ordinary Shares		Additional Paid-in Capital	Treasury Shares	Statutory Reserves	Other Comprehensive Income / (loss)	Accumulated Deficit	Total Deficit
	Shares	Amount						
<b>Balance at January 1, 2023</b>	<b>226,569,381</b>	<b>\$ 17</b>	<b>\$ 282,722</b>	<b>\$ (28,615)</b>	<b>\$ —</b>	<b>\$ (1,024)</b>	<b>\$ (249,224)</b>	<b>\$ 3,876</b>
Issuance of ordinary shares upon vesting of nonvested shares	36,000	—	—	—	—	—	—	—
Share-based compensation	—	—	415	—	—	—	—	415
Exercise of options and employee transactions	142,000	—	—	362	—	—	(362)	—
Sold of treasury shares	74,656	—	—	190	—	—	(145)	45
Repurchase of ordinary shares	(3,571,460)	—	—	(2,296)	—	—	—	(2,296)
Net loss	—	—	—	—	—	—	(9,590)	(9,590)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	(832)	—	(832)
<b>Balance at December 31, 2023</b>	<b>223,250,577</b>	<b>\$ 17</b>	<b>\$ 283,137</b>	<b>\$ (30,359)</b>	<b>\$ —</b>	<b>\$ (1,856)</b>	<b>\$ (259,321)</b>	<b>\$ (8,382)</b>
Share-based compensation	—	—	345	—	—	—	—	345
Treasury stock for ESOP	268,000	—	(716)	716	—	—	—	—
Repurchase of ordinary shares	(2,849,814)	—	—	(1,237)	—	—	—	(1,237)
Net loss	—	—	—	—	—	—	(2,489)	(2,489)
Appropriation to statutory reserves	—	—	—	—	390	—	(390)	—
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	(1,409)	—	(1,409)
<b>Balance at December 31, 2024</b>	<b>220,668,763</b>	<b>\$ 17</b>	<b>\$ 282,766</b>	<b>\$ (30,880)</b>	<b>\$ 390</b>	<b>\$ (3,265)</b>	<b>\$ (262,200)</b>	<b>\$ (13,172)</b>
Share-based compensation	—	—	92	—	—	—	—	92
Treasury stock for ESOP	734,172	—	(2,212)	2,212	—	—	—	—
Repurchase of ordinary shares	(4,339,596)	—	—	(724)	—	—	—	(724)
Net income	—	—	—	—	—	—	8,279	8,279
Appropriation to statutory reserves	—	—	—	—	6	—	(6)	—
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	1,542	—	1,542
<b>Balance at December 31, 2025</b>	<b>217,063,339</b>	<b>\$ 17</b>	<b>\$ 280,646</b>	<b>\$ (29,392)</b>	<b>\$ 396</b>	<b>\$ (1,723)</b>	<b>\$ (253,927)</b>	<b>\$ (3,983)</b>

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

**LIGHTINTHEBOX HOLDING CO., LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(U.S. dollars in thousands, or otherwise noted)

	Years ended December 31		
	2023	2024	2025
<b>Cash flows from operating activities</b>			
Net (loss) / income	\$ (9,590)	\$ (2,489)	\$ 8,279
<i>Adjustments to reconcile net (loss) / income to net cash (used in) / provided by operating activities:</i>			
Depreciation and amortization	3,177	2,198	1,601
Gain on disposal of property and equipment	(1)	(87)	(20)
Share-based compensation	415	345	92
Unrealized foreign exchange (gain) / loss	(1,114)	313	(422)
Allowance for credit losses	—	24	69
Interest income	(71)	—	—
Reversal of unrecognized tax benefits	—	—	(107)
Deferred income tax	40	(48)	—
Changes in operating assets and liabilities:			
Accounts receivable	61	(361)	(379)
Inventories	8,493	2,126	(1,302)
Prepayments and other current assets	(423)	4,260	657
Long-term rental deposits	819	(414)	372
Other non-current assets	(592)	592	—
Accounts payable	(10,672)	(5,468)	1,931
Advance from customers	(15,240)	(8,644)	837
Accrued expenses and other current liabilities	4,276	(40,497)	(5,135)
Operating lease right-of-use assets	5,414	5,139	4,011
Operating lease liabilities	(5,707)	(5,152)	(4,272)
<b>Net cash (used in) / provided by operating activities</b>	<b>(20,715)</b>	<b>(48,163)</b>	<b>6,212</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(1,149)	(782)	(42)
Purchase of land use right	—	(1,493)	—
Interest received	71	—	—
Loans to a third party	(2,824)	—	—
Repayment of loans by a third party	2,824	—	—
Proceeds from disposal of property and equipment	—	92	54
Payment for long-term investment	—	(73)	—
<b>Net cash (used in) / provided by investing activities</b>	<b>(1,078)</b>	<b>(2,256)</b>	<b>12</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings	—	685	1,391
Repayment of short-term borrowings	—	—	(1,391)
Principal repayment of finance leases	(44)	(34)	—
Issuance of ordinary shares from treasury shares	45	—	—
Repurchase of ordinary shares	(2,296)	(1,237)	(724)
<b>Net cash used in financing activities</b>	<b>(2,295)</b>	<b>(586)</b>	<b>(724)</b>
Net (decrease) / increase in cash, cash equivalents and restricted cash	(24,088)	(51,005)	5,500
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,224	(954)	703
Cash, cash equivalents and restricted cash at beginning of year	94,568	71,704	19,745
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b>\$ 71,704</b>	<b>\$ 19,745</b>	<b>\$ 25,948</b>
<b>Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheets:</b>			
Cash and cash equivalents	66,425	17,945	23,629
Restricted cash	5,279	1,800	2,319
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 71,704</b>	<b>\$ 19,745</b>	<b>\$ 25,948</b>
<b>Supplemental cash flow information:</b>			
Income tax refunded / (paid)	\$ —	\$ 9	\$ (28)
Interest expense paid	\$ (4)	\$ —	\$ (17)
<b>Noncash investing activities:</b>			
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 862	\$ 8,860	\$ —
Operating lease right-of-use assets derecognized upon lease cancellation	—	1,651	—

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

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

**1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

LightInTheBox Holding Co., Ltd. (the “Company”), incorporated in the Cayman Islands in March 2008, together with its consolidated subsidiaries (collectively referred to the “Group”), is a global e-commerce company providing a diverse range of affordable lifestyle products directly to consumers worldwide.

LightInTheBox Holding Co., Ltd. is a holding company with no material operations of its own. It conducts its operations primarily through its subsidiaries in Singapore, Hong Kong, the PRC, the United States and Netherlands.

- Avant Logistic Service PTE. LTD. (“Avant Logistic”), Avant E-commerce Service PTE. LTD. and Ching International Service PTE. LTD., the Company’s wholly owned subsidiaries incorporated under the laws of Singapore, that primarily focus on the marketing and customer service, warehouse management services and local delivery in Southeast Asia;
- Light In The Box Limited (“Light In The Box”), LT ecommerce Limited (formerly as LightInTheBox International Logistic Co., Limited), Lanting International Holding Limited (“Lanting International”), Ezbuy Holding Limited (“Ezbuy HK”), Yourstore Limited (“Yourstore”) and My Wardrobe Limited (“My Wardrobe”), the Company’s wholly owned subsidiaries incorporated in Hong Kong, that primarily engage in product sourcing, marketing and the operation of our websites and mobile applications and global distribution network;
- LITB Netherlands B.V., the company’s wholly owned subsidiary incorporated in the Netherlands that primarily engages in marketing in Europe;
- Ador Inc, the company’s wholly owned subsidiary incorporated under the laws of the State of California, the United States, that primarily engages in designing and warehousing; and
- PRC subsidiaries, that primarily engage in providing supplier chain management, research and development, customer service, marketing services, warehousing and fulfillment services to overseas affiliates.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Basis of presentation***

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

***(b) Basis of consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All inter-company transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation.

***(c) Use of estimates***

In preparing the consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements and are adjusted to reflect actual experience when necessary. Actual results could differ from those estimates.

**LIGHTINTHEBOX HOLDING CO., LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)*****(d) Cash and cash equivalents***

Cash and cash equivalents consist of cash on hand, demand deposits and term deposits with an original maturity of three months or less and are readily convertible to known amount of cash.

***(e) Restricted cash***

Restricted cash consists of cash which is held under the Group’s name in escrow accounts as deposits withheld by third-party payment processing agencies which fluctuate with the volume of payment processed, and the cash reserved in bank supervised accounts for performance guarantees to the Group’s vendors which will be released to cash within the next 12 months.

***(f) Accounts receivable, net***

The Group maintains an allowance for credit losses in accordance with ASC Topic 326, Credit Losses (“ASC 326”) and records the allowance for credit losses as an offset to accounts receivable. The estimated credit losses charged to the allowance is classified as “General and administrative” in the consolidated statements of operations. The Group assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist, primarily based on similar business line, service or product offerings and on an individual basis when the Group identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Group considers historical collectability based on past due status, the age of the accounts receivable balances, credit quality of the Group’s customers based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Group’s ability to collect from customers. Accounts receivable balances are written off after all collection efforts have been exhausted.

Accounts receivable represents amounts that the Group has the unconditional right to consideration. As of December 31, 2024 and 2025, accounts receivable included accounts receivable for cash collected by supplemental online outlets, and accounts receivable for logistic services. As of December 31, 2024 and 2025, the allowance for credit losses for accounts receivable was \$1,853 and \$1,858, respectively. For the years ended December 31, 2023, 2024 and 2025, the recognized credit losses for accounts receivable were \$nil, \$19 and \$nil, respectively.

***(g) Inventories***

Inventories represent products available for sale and are accounted for using the first-in, first-out method and specific identification method, and are valued at the lower of cost or net realizable value. Adjustments are recorded to write down the cost of inventory to the net realizable value due to slow-moving merchandise and broken assortments, which are dependent upon factors such as historical trends with similar merchandise, inventory aging, and historical and forecasted consumer demand.

***(h) Property and equipment, net***

Property and equipment, net is stated at cost less accumulated depreciation and impairment, if any.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	<b>Useful lives</b>
Furniture, fixtures and office equipment	1 - 5 years
Leasehold improvements	Lesser of the lease term or estimated useful life of the assets
Vehicles	4 - 10 years
IT equipment	1 - 3 years

**LIGHTINTHEBOX HOLDING CO., LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)****(i) Intangible assets, net**

Intangible assets other than goodwill, arising from the acquisitions accounted for under the acquisition method are estimated by management based on the fair value of assets acquired at the acquisition date.

Intangible assets are carried at cost less accumulated amortization and impairment, if any. Amortization of the intangible assets with definite life are computed using the straight-line method over the estimated useful lives.

Domain name / Trade name	Useful lives
	Indefinite life
Technology platform	1 year
Customer base	4.3 years
Technology	3-5 years
Members	4 years
Branding	10 years

**(j) Internal use software**

The Group capitalizes payroll costs incurred for the development of computer software for internal use pursuant to ASC Topic 350-40, *Intangibles—Goodwill and Others—Internal use software*. The Group capitalizes the costs during the development of the project, when it is determined that it is probable that the project will be completed, and the software will be used as intended. Costs related to preliminary project activities, post-implementation activities, training and maintenance are expensed as incurred. Internal use software is amortized on a straight-line basis over its estimated useful life, which is generally three years. Capitalized internal use software is recorded in “Intangible assets, net” on the consolidated balance sheets.

**(k) Long-term investments**

The Group’s long-term investments consist of the equity investments without readily determinable fair value.

The Group elects to use the measurement alternative to the fair value measurement for the equity securities without readily determinable fair values, under which these investments are measured at cost, less any impairment, plus or minus observable price changes of an identical or similar investment of the same issuer with the fair value change recorded in the consolidated statements of operations.

For these equity investments that the Group elects to use the measurement alternative, the Group makes a qualitative assessment of whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, the Group estimates the investment’s fair value in accordance with the principles of ASC 820. If the fair value is less than the investment’s carrying value, the entity recognizes an impairment loss equal to the difference between the carrying value and fair value in the consolidated statements of operations.

**(l) Impairment of long-lived assets and definite-lived intangible assets**

Long-lived assets, such as property and equipment and definite-lived intangible assets, are stated at cost less accumulated depreciation or amortization and any impairment.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

The Group evaluates the recoverability of long-lived assets whenever events or changes in circumstances indicate that a long-lived asset's carrying amount may not be recoverable. The Group compares the carrying amount of long-lived assets against the estimated undiscounted future cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the asset over the fair value of the asset. Fair value is estimated based on various valuation techniques and assumptions, including the discounted cash flow method based on estimated future cash flows. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

***(m) Impairment of goodwill and indefinite-lived intangible assets***

Goodwill and intangible assets deemed to have indefinite useful lives are not amortized, but tested for impairment annually as of December 31 or more frequently if events and circumstances indicate that they might be impaired.

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations.

The Group assesses goodwill and indefinite-lived intangible assets for impairment in accordance with ASC 350-20, Intangibles – Goodwill and Other. We may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying value and if so, we perform a quantitative test. We compare the carrying value of each reporting unit and indefinite-lived intangible asset to its estimated fair value and if the fair value is determined to be less than the carrying value, we recognize an impairment loss for the difference. We estimate the fair value of the reporting units using discounted cash flows. Forecasts of future cash flows are based on our best estimate of future net sales and operating expenses, based primarily on expected category expansion, pricing, market segment share, and general economic conditions. Fair value of the indefinite-lived intangible asset is an estimate of the price a willing buyer would pay for the intangible asset and is generally estimated by discounting the expected future after-tax cash flows associated with the intangible asset. No impairment was made related to the Group's goodwill and the indefinite-lived intangible assets for the years ended December 31, 2023, 2024 and 2025.

***(n) Treasury shares***

Treasury shares represent shares of the Company's shares that have been issued, repurchased by the Company, and that have not been retired or canceled. These shares have no voting rights and are not entitled to receive dividends and are excluded from the weighted average outstanding shares in calculation of net (loss) / income per ordinary share. Treasury shares are recorded at cost incurred to purchase the shares in the consolidated balance sheets.

Gains on sales of treasury stock not previously accounted for as constructively retired shall be credited to additional paid-in capital; losses may be charged to additional paid-in capital to the extent that previous net gains from sales or retirements of the same class of stock are included therein, otherwise to retained earnings.

***(o) Revenue recognition***

The Group recognizes revenue (i) from product sales of apparel and other general merchandise to customers through its websites and other online platforms, and to third-party sellers that sell through the Group's platforms utilizing the Group's supply chain; and (ii) from logistics services to companies and individual customers.

The Group recognizes revenue upon the satisfaction of its performance obligation (upon transfer of control of promised goods or services to customers) in amounts that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services, excluding amounts collected on behalf of third parties (for example, value-added tax). For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

*Product sales*

The Group identifies one performance obligation for product sales to customers through its websites and other online platforms, and product sales to third-party sellers. The cash collected from the sales is initially recorded in “advance from customers” in the consolidated balance sheets and subsequently recognized as revenues upon the sales completed. There is no significant financing component or variable consideration. Revenues of product sales are recognized on a gross basis and presented as product sales on the consolidated statements of operations, because (i) the Group is primarily responsible for fulfilling the promise to provide the specified products; (ii) the Group bears the physical and general inventory risk once the products are delivered to its warehouses; and (iii) the Group has discretion in establishing price.

The product sales to third-party sellers include sales of products and fulfillment of orders. The Group considers that these elements are a series of combined promises in the context of the contract with third-party sellers that should be combined as one single performance obligation. Accordingly, the product sales together with the fulfillment services to third-party sellers are accounted for as one single performance obligation.

The Group establishes a membership program whereby a registered member earns certain points for visiting one of the Group’s websites. Points could only be redeemed in connection with a future purchase. Such points, when redeemed, were treated as a reduction of revenues at the time of future purchase. Since the points are not earned based on a concurrent sales transaction, no accruals are made at the time when points are earned by the registered members.

Prime membership revenues which are included in product sales, are amortized over the membership period on a straight-line basis. Prime is a subscription-based membership program. Items purchased from Prime shop enjoy flat international shipping per checkout. Prime membership revenues for the years ended December 31, 2023, 2024 and 2025 were \$1,899, \$1,254 and \$220, respectively.

Product sales, net of discounts, an allowance for sales returns and VAT, are recognized at the point in time when customers accept the products upon delivery. Revenues are measured as the amount of consideration the Group expects to receive in exchange for transferring products to consumers or third-party sellers. Sales return allowances, which reduce revenues, are estimated utilizing the expected value method based on historical experience of returns. The Group allows customers to return the goods with no quality-related issues within 7 days of receipt of shipment. The Group allows customers to return most goods with quality-related issues within 30 days of receipt of shipment, and to return lamps and faucets with quality-related issues within 12 months. Provisions for sales returns were \$15,732, \$7,154 and \$9,104 for the years ended December 31, 2023, 2024 and 2025, respectively.

The Group engages delivery service providers to deliver products to its customers (“shipping activities”). As the shipping activities are performed before customers obtain control of the products, shipping activities for customers are not considered as a separate promised service to customers, but rather are activities to fulfill the Group’s promise to transfer the products. Outbound shipping charges to customers are included as a part of the revenues and outbound shipping-related costs are recorded as cost of product sales. Shipping costs incurred for product sales and recognized as cost of product sales were \$126,628, \$48,625 and \$36,124 for the years ended December 31, 2023, 2024 and 2025, respectively.

*Services and others*

The Group derives service revenues mainly from provision of logistic services to companies and individual customers. Revenues from logistic services are recognized over the delivery period since the customers simultaneously receive and consume the benefits provided by the Group’s performance as the services are rendered.

*Contract liabilities*

A contract liability is recognized when the Group has an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. It is included in advance from customers on the consolidated balance sheets.

## LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

Changes in the Group’s contract liabilities are presented in the following table for the years ended December 31, 2024 and 2025:

	Years ended December 31,	
	2024	2025
<b>Contract liabilities as of January 1</b>	<b>\$ 11,201</b>	<b>\$ 6,625</b>
Cash received in advance, net of VAT	236,087	190,902
Revenue recognized from opening balance of contract liabilities	(11,201)	(6,625)
Revenue recognized from contract liabilities arising during current year	(229,462)	(181,980)
<b>Contract liabilities as of December 31</b>	<b>\$ 6,625</b>	<b>\$ 8,922</b>

The Group has elected the practical expedient not to disclose the information about remaining performance obligations which are part of contracts that have an original expected duration of one year or less.

**(p) Cost of revenues**

*Product sales*

Cost of goods sold primarily consists of the purchase price of consumer products sold by the Group through its websites and other online platforms, and to third-party sellers, inbound and outbound shipping charges, packaging supplies and inventory write-downs. Shipping charges to receive products from its suppliers are included in inventory cost and recognized as cost of sales upon sale of products to customers.

*Services*

Cost of services primarily consists of the shipping charges and cost of packaging supplies directly incurred relating to logistic services.

**(q) Fulfillment**

Fulfillment costs represent those costs incurred in operating and staffing the Group’s fulfillment and customer service centers, including (i) costs attributable to buying, receiving, inspecting, and warehousing inventories, (ii) picking, packaging, and preparing customer orders for shipment, (iii) payment processing and related transaction costs, and (iv) rental expenses of leased warehouses and depreciation of logistics and electronic equipment.

**(r) Selling and marketing**

Selling and marketing expenses primarily consist of search engine marketing and advertising, affiliate marketing program expenditures, public relations expenditures, and payroll and related expenses for personnel engaged in selling, marketing and business development. The Group pays to use certain relevant key words relating to its business on major search engines and the fees charged to the Group are on a “cost-per-click” basis. Advertising expense includes fees paid to on-line advertisers who assist the Group to advertise at targeted websites. Such fees are charged at a fixed rate or calculated based on traffic directed to the Group’s websites. The advertising expenses for the years ended December 31, 2023, 2024 and 2025 were \$291,702, \$104,347 and \$96,797, respectively.

**(s) General and administrative**

General and administrative expenses consist of payroll and related expenses for employees involved in general corporate functions such as accounting, finance, tax, legal, and human resources, as well as facility and equipment costs attributable to these functions, such as depreciation and rental expense, professional fees, provision for credit losses and other general corporate costs. Also included in general and administrative expenses are payroll and related expenses for employees involved in product research and development, and systems support, as well as server charges and telecommunications cost. The research and development expenses for the years ended December 31, 2023, 2024 and 2025 were \$19,105, \$15,527 and \$10,270, respectively.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

General and administrative expenses also include chargebacks relating to fraudulent credit card activities from the payment processing agencies. The Group estimates chargebacks based on historical experience. The estimation of chargebacks is adjusted to the extent that actual chargebacks differ or are expected to differ. The chargeback expenses for the years ended December 31, 2023, 2024 and 2025 were \$2,338, \$681 and \$758, respectively.

***(t) Government subsidies***

Government subsidies primarily consist of financial subsidies received from local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. There are no defined rules and regulations to govern the criteria necessary for companies to receive such benefits, and the amount of financial subsidy is determined at the discretion of the relevant government authorities. For the government subsidies with no further conditions to be met, the amounts are recorded as operating income in “Other operating income, net”, or as a reduction of specific cost or expenses if such subsidies are intended to compensate such amounts. The government subsidies with certain operating conditions are recorded as liabilities when received and will be recorded as “Other operating income, net” or as a reduction of specific cost or expenses when the conditions are met.

***(u) Financial instruments and fair value measurements***

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 Group 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.

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 instruments traded in active markets.
- Level 2-inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments 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.

The Group’s financial instruments primarily consist of cash and cash equivalents, restricted cash, accounts receivable, other current assets, long-term investments, short-term borrowings, accounts payable, advance from customers and accrued expenses and other current liabilities.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, other current assets, short-term borrowings, accounts payable, advance from customers and accrued expenses and other current liabilities as of December 31, 2024 and 2025 approximate their fair values due to the short-term maturities of these instruments. Goodwill, long-term investments and long-lived assets are measured at fair value on a non-recurring basis only when impairment is recognized. The Group estimates the fair value of the reporting unit using the discounted cash flow method under the income approach. The discounted cash flows are based on the financial forecast developed by management for planning purposes. Cash flows beyond the forecasted period are estimated using a terminal value calculation. The fair values of long-lived assets are determined based on various valuation methods, including the replacement cost method, the relief from royalty method and the excess earning method. The fair value measurement of long-term investments is described in (k) *Long-term investments*.

Certain assets are measured at a non-recurring basis. The following tables present the fair value hierarchy for the assets at December 31, 2024 and 2025:

	Carrying Value at December 31, 2024	Fair value measurement at December 31, 2024 using			Total losses for the year
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Non-recurring fair value measurements for:</b>					
Long-term investments	\$ 73	\$ —	\$ —	\$ 73	\$ —

	Carrying Value at December 31, 2025	Fair value measurement at December 31, 2025 using			Total losses for the year
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Non-recurring fair value measurements for:</b>					
Long-term investments	\$ 77	\$ —	\$ —	\$ 77	\$ —

For long-term investments which consist of equity securities accounted for under the measurement alternative, when there are observable price changes in orderly transactions for identical or similar investments of the same issuer, the investments are re-measured to fair value. The non-recurring fair value measurements for these investments require management to estimate a price adjustment for the different rights and obligations between a similar instrument of the same issuer with an observable price change in an orderly transaction and the investment held by the Group. These non-recurring fair value measurements were measured as of the observable transaction dates. The Company uses valuation methodologies including the back-solve method and an equity allocation model which requires management to use the observable transaction price at the transaction date and other unobservable inputs (level 3) such as expected volatility, discount for lack of marketability and probability of exit events as it relates to an initial public offering, liquidation and redemption preferences.

**(v) Foreign currency translation**

The Company's functional currency is the U.S. dollar ("US\$"). The Company's subsidiaries determine their functional currencies based on the criteria of ASC Topic 830, *Foreign Currency Matters*.

In the financial statements of the Company's subsidiaries, transactions in currencies other than the functional currency are converted into functional currency at the applicable rates of exchange prevailing when the transactions occurred. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Transaction gains and losses are recognized in the consolidated statements of operations during the year in which they occur.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

The Group's entities with functional currency of Renminbi ("RMB"), Euro ("EUR"), Singapore Dollar ("SGD"), Malaysian Ringgit ("RM") and Pound (GBP), translate their operating results and financial position into the US\$, the Group's reporting currency. Assets and liabilities are translated using the exchange rates in effect on the balance sheet date. Revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of other comprehensive income / (loss).

**(w) Income taxes**

Income taxes are provided using the asset and liability method. Under this method, deferred income taxes are recognized for tax credits and net operating losses available for carry forwards and significant temporary differences. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws and regulations applicable to the Group as enacted by the relevant tax authorities.

The impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group's estimated liability for unrecognized tax benefits is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and / or developments with respect to tax audits, and expiration of the statute of limitations. The actual benefits ultimately realized may differ from the Group's estimates. As each audit is concluded, adjustments, if any, are recorded in the Group's consolidated financial statements. Additionally, in future periods, changes in facts, circumstances, and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

The Group applies the provisions of ASC Topic 740, Income Taxes ("ASC 740"), in accounting for uncertainty in income taxes. ASC 740 clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. The Group has elected to classify interest and penalties related to an uncertain tax position, if and when required as part of income tax expense in the consolidated statements of comprehensive income.

**(x) Comprehensive income / (loss)**

Comprehensive income / (loss) includes net income / (loss) and foreign currency translation adjustments and is reported in the consolidated statements of comprehensive income / (loss).

**(y) Share-based compensation**

Share-based payment transactions with employees, including share options and nonvested shares are measured based on the grant date fair value of the equity instrument. The Group has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with service conditions and graded vesting provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the awards that are vested at that date, over the requisite service period of the award, which is generally the vesting period of the award. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures will be recognized through a cumulative catch-up adjustment in the period of change and will also impact the amount of share-based compensation expense to be recognized in future periods.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

Changes in the terms or conditions of equity awards are accounted as a modification under which the Group calculate whether there is any excess of the fair value of the modified award over the fair value of the original award immediately before its terms are modified, measured based on the share price and other pertinent factors at the modification date. For vested awards, the Group recognizes incremental compensation cost in the period of the modification occurred and for unvested awards, the Group recognizes, over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date.

**(z) Leases**

Leases are classified at the inception date as either a finance lease or an operating lease.

The Group classifies a lease as a finance lease when the lease meets any one of the following criteria at lease commencement:

- a. The lease transfers ownership of the underlying asset to the lessee by the end of the lease term.
- b. The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- c. The lease term is for a major part of the remaining economic life of the underlying asset.
- d. The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset.
- e. The underlying asset is of such a specialized nature that it is expected to have no alternative use to the Company at the end of the lease term.

The land use right is operating lease with terms of about 50 years. Other than the land use right, the lease terms of operating and finance leases vary from one year to five years.

For both operating and financing leases, the Group records a lease liability and corresponding right-of-use (ROU) asset at lease commencement. Lease terms are based on the non-cancellable term of the lease and may contain options to extend the lease when it is reasonably certain that the Group will exercise the option. Lease liabilities represent the present value of the lease payments not yet paid, discounted using the discount rate for the lease at lease commencement.

The Group estimates its incremental borrowing rate for its leases at the commencement date to determine the present value of future lease payments when the implicit rate is not readily determinable in the lease. In estimating its incremental borrowing rate, the Group considers its credit rating and publicly available data of borrowing rates for loans of similar amount, currency and term as the lease.

Operating leases are presented as “Operating lease ROU assets” and “Operating lease liabilities”. Lease liabilities that become due within one year of the balance sheet date are classified as current liabilities. At lease commencement, operating lease ROU assets represent the right to use underlying assets for their respective lease terms and are recognized at amounts equal to the lease liabilities adjusted for any lease payments made prior to the lease commencement date, less any lease incentives received and any initial direct costs incurred by the Group.

After lease commencement, operating lease liabilities are measured at the present value of the remaining lease payments using the discount rate determined at the lease commencement date. Operating lease ROU assets are measured at the amount of the lease liabilities and further adjusted for prepaid or accrued lease payments, the remaining balance of any lease incentives received, unamortized initial direct costs and impairment of the ROU assets, if any. Operating lease expense is recognized as a single cost on a straight-line basis over the lease term.

Financing lease ROU assets and liabilities are included in “property and equipment, net”, “accrued expenses and other current liabilities” and “long-term payable” on the consolidated balance sheets. Lease liabilities that become due within one year of the balance sheet date are classified as current liabilities. Financing lease ROU assets are amortized on a straight-line basis from the lease commencement date. After initial measurement, the carrying value of the lease liability is increased to reflect interest at a constant rate and reduced to reflect any lease payments made during the period.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

Leases that have a term of 12 months or less at the commencement date (“short-term leases”) are not included in operating lease ROU assets and operating lease liabilities. Lease expense for the short-term leases is recognized on a straight-line basis over the lease term.

***(aa) Income / (loss) per share***

Basic income / (loss) per ordinary share is computed by dividing net income / (loss) attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the period.

Diluted income / (loss) per ordinary share reflects the potential dilution that could occur if securities were exercised or converted into ordinary shares and is calculated by dividing net income / (loss) attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the year. Ordinary equivalent shares consist of ordinary shares issuable upon the vest of nonvested shares or exercise of outstanding share options (using the treasury stock method). Ordinary equivalent shares are calculated based on the most advantageous conversion rate or exercise price from the standpoint of the security holder. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

***(bb) Concentration of credit risk***

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash, accounts receivable, advances to suppliers, receivable from reputable payment processing agencies with high-credit ratings and long-term rental deposits. The Group places its cash and cash equivalents and restricted cash with financial institutions and third-party payment processing agencies located in the PRC, Hong Kong, the United States, Netherlands, Singapore, Malaysia. In the event of bankruptcy of one of these financial institutions and third-party payment processing agencies, the Group may not be able to claim its cash and demand deposits back in full. The Group continues to monitor the financial strength of the financial institutions and third-party payment processing agencies. There has been no recent history of default in relation to these financial institutions and third-party payment processing agencies. Accounts receivable mainly include receivables from our supplemental online outlets and receivables from our logistic services. With respect to advances to product suppliers and long-term rental deposits, the Group performs on-going credit evaluations of the financial condition of its vendors. Receivable from payment processing agencies represented cash that had been received from customers but held by the payment processing agencies in the process of reconciliation and are collected by the Group subsequent to the year end.

***(cc) Currency convertibility risk***

The RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of the People’s Bank of China, controls the conversion of RMB into foreign currencies. The value of the RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China foreign exchange trading system market. The Group’s cash and cash equivalents and restricted cash denominated in RMB amounted to \$1,638 and \$1,046 as of December 31, 2024 and 2025, respectively.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

*(dd) Recent accounting pronouncements not yet adopted*

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that at each interim and annual reporting period public entities disclose (1) the amounts of purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions; (2) certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. In January 2025, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. This update clarifies that ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Group is currently evaluating the impact on its financial statements of adopting this guidance.

**3. PREPAYMENTS AND OTHER CURRENT ASSETS, NET**

The components of prepayments and other current assets, net are as follows:

	As of December 31,	
	2024	2025
Prepayments to suppliers <sup>(1)</sup>	\$ 1,264	\$ 762
Deferred expenses	88	57
Rental deposits and prepaid rents	469	593
Others	789	472
<b>Total</b>	<b>\$ 2,610</b>	<b>\$ 1,884</b>

(1) The prepayments primarily consist of shipping costs and advertising fee paid in advance.

As of December 31, 2024 and 2025, the allowances of credit losses for other current assets were \$187 and \$262, respectively. The recognized credit losses for other current assets were \$nil, \$5 and \$69 for the years ended December 31, 2023, 2024 and 2025, respectively.

**4. PROPERTY AND EQUIPMENT, NET**

The components of property and equipment are as follows:

	As of December 31,	
	2024	2025
Leasehold improvements	\$ 1,195	\$ 565
Furniture, fixtures and office equipment	3,350	3,438
IT equipment	2,454	2,535
Vehicles	1,705	1,630
Construction-in-process	214	235
<b>Property and equipment, gross</b>	<b>8,918</b>	<b>8,403</b>
Less: Accumulated depreciation	(6,733)	(7,090)
<b>Property and equipment, net</b>	<b>\$ 2,185</b>	<b>\$ 1,313</b>

Depreciation expenses incurred for the years ended December 31, 2023, 2024 and 2025 were \$1,280, \$1,419 and \$944, respectively.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

**5. GOODWILL**

All goodwill is allocated to the product sales reporting unit. As of December 31, 2024 and 2025, the carrying amounts of goodwill were \$26,663 and \$27,800, respectively. For the years ended December 31, 2024 and 2025, the carrying amount of goodwill decreased by \$730 and increased by \$1,137, respectively, attributable to foreign currency translation adjustments recognized in accumulated other comprehensive income / (loss).

**6. INTANGIBLE ASSETS, NET**

The carry amounts of intangible assets, as of December 31, 2024 and 2025, consist of the below:

	December 31, 2024				December 31, 2025			
	Gross carrying amount	Accumulated amortization	Accumulated impairment loss	Net carrying amount	Gross carrying amount	Accumulated amortization	Accumulated impairment loss	Net carrying amount
Intangible assets not subject to amortization:								
Trademark/domain name	\$ 1,220	\$ —	\$ (1,010)	\$ 210	\$ 1,220	\$ —	\$ (1,010)	\$ 210
Intangible assets subject to amortization:								
- Technology platform	90	(90)	—	—	90	(90)	—	—
- Customer base	32	(22)	(10)	—	32	(22)	(10)	—
- Technology	2,746	(2,746)	—	—	2,866	(2,866)	—	—
- Branding	6,472	(3,937)	—	2,535	6,755	(4,785)	—	1,970
- Members	20	(20)	—	—	20	(20)	—	—
- Software	72	(72)	—	—	75	(75)	—	—
- Internal use software	2,474	(2,474)	—	—	2,474	(2,474)	—	—
	<u>\$ 13,126</u>	<u>\$ (9,361)</u>	<u>\$ (1,020)</u>	<u>\$ 2,745</u>	<u>\$ 13,532</u>	<u>\$ (10,332)</u>	<u>\$ (1,020)</u>	<u>\$ 2,180</u>

The total amortization expenses incurred for the years ended December 31, 2023, 2024 and 2025 were \$1,897, \$779 and \$657, respectively. The estimated amortization expense for intangible assets in each of the next five years and thereafter are \$676, \$676, \$618, \$nil and \$nil, respectively. No impairment loss was recognized for intangible assets for the years ended December 31, 2023, 2024 and 2025.

**7. LEASES**

The Group has operating leases for office space, land use right, warehouses and vehicles and finance leases for vehicles as a lessee.

The Group's lease agreements include lease payments that are fixed, do not contain material residual value guarantees or variable lease payments. The leases have terms ranging from one to five years. Certain lease agreements include terms with options to extend the lease, however none of these have been recognized in the Group's operating lease ROU assets or operating lease liabilities since those options were not reasonably certain to be exercised. The Group's leases do not contain restrictions or covenants that restrict the Group from incurring other financial obligations. The Group's lease agreements may contain lease and non-lease components. Non-lease components primarily include payments for maintenance.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The components of lease costs were as follows:

	Years ended December 31,		
	2023	2024	2025
Operating lease costs	5,359	5,050	4,142
Short-term lease costs	309	218	196
Financing lease costs:			
Amortization of ROU assets	28	24	—
Interests	4	—	—
Sublease income <sup>(1)</sup>	—	(1,351)	(1,965)
<b>Total lease costs</b>	<b>5,700</b>	<b>3,941</b>	<b>2,373</b>

	December 31,	
	2024	2025
<b>Operating Leases</b>		
Land use right, net	1,449	1,482
Operating lease right-of-use assets (excluding land use right)	8,481	4,586
<b>Total operating lease right-of-use assets</b>	<b>9,930</b>	<b>6,068</b>
Operating lease liabilities, current	4,047	2,818
Operating lease liabilities, non-current	4,780	1,886
<b>Total operating lease liabilities</b>	<b>8,827</b>	<b>4,704</b>

	December 31,	
	2024	2025
<b>Weighted-average remaining lease term</b>		
Land use right	49.25	48.25
Operating leases	2.53	1.82
<b>Weighted-average discount rate</b>		
Land use right	—	—
Operating leases	3.23 %	3.31 %

	Years ended December 31,		
	2023	2024	2025
<b>Other information</b>			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	5,707	5,152	4,272
Operating cash flows from financing leases	44	34	—
Financing cash flows from financing leases	4	—	—

(1) For the year ended December 31, 2025, the Group recognized sublease income of \$1,965 (2024: \$1,351), and incurred sublease cost of \$1,291 (2024: \$727).

For the years ended December 31, 2023, 2024 and 2025, the Group incurred total operating lease and short-term lease costs of \$5,668, \$5,268 and \$4,338, respectively.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

Future minimum lease payments for operating leases as of December 31, 2025 are as follows:

	<b>Operating Leases</b>
2026	2,914
2027	1,513
2028	312
2029	90
2030 and thereafter	—
Total minimum lease payments	<b>4,829</b>
Less: Imputed interest	(125)
<b>Total lease liability balance</b>	<b>4,704</b>
Minimum payments related to leases not yet commenced as of December 31, 2025	—

**8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2025</b>
Accrued advertising fees <sup>(1)</sup>	\$ 19,599	\$ 23,555
VAT and other taxes payable	30,345	21,022
Accrued payroll and staff welfare	1,622	1,538
Accrued sales return <sup>(2)</sup>	451	784
Accrued professional fees	765	701
Others <sup>(3)</sup>	1,309	1,356
<b>Total</b>	<b>\$ 54,091</b>	<b>\$ 48,956</b>

(1) During the year ended December 31, 2025, the Group recognized advertising fees of \$96,797 and paid the advertising fees of \$92,841.

(2) Accrued sales return represents the estimated sales return at the end of each of the respective year. Movements during the respective years are as follows:

	<b>Years ended December 31,</b>	
	<b>2024</b>	<b>2025</b>
<b>Balance at January 1</b>	<b>\$ 1,376</b>	<b>\$ 451</b>
Allowance for sales return accrued in the year	7,154	9,104
Utilization of accrued sales return allowance	(8,079)	(8,771)
<b>Balance at December 31</b>	<b>\$ 451</b>	<b>\$ 784</b>

(3) Others mainly include deposits from vendors and accrued utilities.

**9. ORDINARY SHARES**

On or about September 4, 2024, the Company effected a reverse stock split of its ordinary shares at a ratio of 1-for-12 pursuant to which all existing shareholders of record on that date surrendered an aggregate of 114,233,006 ordinary shares for no consideration.

The Company sold 6,221 ADSs during the year ended December 31, 2023, representing 74,656 ordinary shares from its treasury shares with a total consideration of approximately \$190.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

On June 29, 2023, the Company announced the implementation and the execution of a share repurchase program of up to \$10 million of the ordinary shares in the form of American Depositary Shares through December 31, 2023, then extended to March 31, 2024, further extended to June 30, 2024.

On March 31, 2025, the Company announced the implementation and the execution of a share repurchase program of up to \$0.7 million of its ordinary shares in the form of American Depositary Shares through June 30, 2025. The Company had since extended the share repurchase program through December 31, 2025, then further to June 30, 2026, with total repurchase amount up to \$3.0 million.

For the year ended December 31, 2023, pursuant to the share repurchase plan, the Company repurchased 297,622 ADSs, representing 3,571,460 ordinary shares with a total consideration of approximately \$2,296.

For the year ended December 31, 2024, pursuant to the share repurchase plan, the Company repurchased 237,485 ADSs, representing 2,849,814 ordinary shares with a total consideration of approximately \$1,237.

For the year ended December 31, 2025, pursuant to the share repurchase plan, the Company repurchased 361,633 ADSs, representing 4,339,596 ordinary shares with a total consideration of approximately \$724.

**10. SHARE OPTIONS**

In 2008, the Group adopted the Amended and Reinstated 2008 Share Incentive Plan, or the 2008 Plan. The 2008 Plan is intended to promote the Company's success and to increase shareholder value by providing an additional means to attract, motivate, retain and reward selected directors, officers, employees and other eligible persons. An aggregate of 4,444,444 ordinary shares were reserved for issuance under the 2008 Plan. On June 9, 2014, the 2008 Plan was amended to increase the maximum aggregate number of ordinary shares reserved for issuance under the 2008 Plan to 11,344,444.

In 2019, the Group adopted the 2019 Share Incentive Plan, or the 2019 plan. Pursuant to the 2019 Plan, total shares that the 2019 Plan was authorized to grant were 2,867,382 ordinary shares. Subsequently, the 2019 plan was amended to be authorized to grant a total of 10,667,382 ordinary shares.

The 2008 Plan and 2019 Plan are collectively referred to as the Plans.

In 2023, the Company granted 44,444 share options at exercise prices of \$0.01 per share, 77,036 share options at exercise prices of \$0.81 per share and 1,200,000 share options at exercise prices of \$0.30 per share under the Plans. These share options vest immediately.

In 2024, the Company granted 37,038 share options at exercise price of \$0.30 per share and 155,556 share options at exercise price of \$0.01 per share, which vest immediately. The Company granted 980,000 share options at exercise price of \$0.33 per share vest over a period of two years, and 1,600,000 share options at exercise price of \$0.33 per share vest over a period of one year and five months.

In 2025, the Company granted 165,552 share options at exercise price of \$nil per share to certain employees, which vest immediately.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The fair value of each option granted was estimated on the date of grant using a binomial option pricing model with the following assumptions during the applicable periods:

	Year ended December 31,		
	2023	2024	2025
Risk-free interest rate per annum	3.85 %	4.57 %	4.27 %
Exercise multiple	2.8	2.8	2.8
Expected volatility	78.0 %	109.3 %	107.38 %
Expected dividend yield	0 %	0 %	0 %
Fair value of ordinary shares	\$ 0.52	\$ 0.32	\$ 0.12
Expected terms (in years)	10	10	10

(1) Risk-free interest rates

Risk-free interest rates were estimated based on the yield to maturity of US treasury bonds with a maturity period close to the contractual term of the options for the years ended December 31, 2023, 2024 and 2025, respectively.

(2) Exercise multiple

Exercise multiple represents the value of the underlying share as a multiple of exercise price of the option which, if achieved, results in exercise of the option.

(3) Volatility

The volatility of the underlying ordinary shares during the life of the options was estimated based on the historical stock price volatility of the Company's publicly traded stock.

(4) Dividend yield

The dividend yield was estimated by the Group based on its expected dividend policy over the contractual term of the options.

(5) Fair value of underlying ordinary shares

The fair value of the underlying ordinary shares is determined based on the closing market price of the ADS of the Company as of the grant date.

A summary of the share option activities under the Plans as of December 31, 2025, and changes during the year then ended is presented below:

	Options granted	Weighted average exercise price per option
<b>Outstanding at January 1, 2025</b>	<b>6,842,494</b>	<b>\$ 0.34</b>
Granted	165,552	\$ —
Exercised	(121,104)	\$ —
Forfeited	(1,069,900)	\$ 0.31
<b>Outstanding at December 31, 2025</b>	<b>5,817,042</b>	<b>\$ 0.34</b>

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

The following table summarizes information regarding the share options granted under the Plans as of December 31, 2025:

	As of December 31, 2025			
	Options Number	Weighted-average exercise price per option	Weighted-average remaining contractual life (years)	Weighted-Average intrinsic value
<b>Options</b>				
Outstanding	5,817,042	\$ 0.34	6.75	\$ 0.01
Exercisable	5,407,042	\$ 0.34	6.63	\$ 0.01
Expected to vest	410,000	\$ 0.33	8.43	\$ —

The total intrinsic value of options exercised were \$nil, \$2 and \$12 for the years ended December 31, 2023, 2024 and 2025.

The weighted average grant date fair value of options granted during the years ended December 31, 2023, 2024 and 2025 was \$0.21, \$0.04 and \$0.12, respectively.

For the years ended December 31, 2023, 2024 and 2025, the Group recorded share-based compensation expense of \$281, \$87 and \$20 related to the options under the Plans, respectively. As of December 31, 2025, there was no unrecognized compensation cost related to the options.

**11. NONVESTED SHARES**

In 2023, the Company granted 298,000 nonvested shares to certain officers and employees. 126,000 of these shares vested immediately, 20,000 of these shares vest over a period of one year and 152,000 of these shares vest over a period of two years.

In 2024, the Company granted 254,000 nonvested shares to certain employees. 204,000 of these shares vested immediately, 24,000 of these shares vest over a period of ten months and 26,000 of these shares vest over a period of one year.

In 2025, the Company granted 565,068 nonvested shares to certain employees. 529,068 of these shares vested immediately, 36,000 of these shares vest over a period of one year.

The holders of the nonvested shares are entitled to voting rights, but shall not be entitled to dividends before vesting.

The following table summarizes information regarding the nonvested shares granted and vested:

	Number of Shares	Weighted average grant date fair value
<b>Outstanding at January 1, 2025</b>	<b>104,000</b>	<b>\$ 0.49</b>
Granted	565,068	\$ 0.13
Forfeited	(20,000)	\$ 0.17
Vested	(613,068)	\$ 0.39
<b>Outstanding at December 31, 2025</b>	<b>36,000</b>	<b>\$ 0.25</b>

For the years ended December 31, 2023, 2024 and 2025, the Group recorded share-based compensation expenses of \$134, \$258 and \$72 related to the nonvested shares, respectively. As of December 31, 2025, there was \$8 of unrecognized compensation costs related to nonvested shares, which are expected to be recognized over a weighted average period of one year.

**LIGHTINTHEBOX HOLDING CO., LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

Total share-based compensation expenses for share options and nonvested shares for the years ended December 31, 2023, 2024 and 2025 were as follows:

	Years ended December 31,		
	2023	2024	2025
Selling and marketing	\$ 34	\$ 89	\$ 20
General and administrative	381	256	72
<b>Total</b>	<b>\$ 415</b>	<b>\$ 345</b>	<b>\$ 92</b>

**12. INCOME TAXES***Cayman Islands*

The Company and Ezbuy Holding Co., Limited (“Ezbuy”) are two tax-exempted companies incorporated in the Cayman Islands and are not subject to tax on income or capital gains.

*Hong Kong*

Light In The Box, Lanting International, LT ecommerce, Ezbuy HK, Yourstore and My Wardrobe are located in Hong Kong and subject to Hong Kong profits tax at 16.5% with respect to the profit generated from Hong Kong. It is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends. A two-tiered profits tax rates regime was introduced since year 2018 where the first HK\$2,000,000 of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates.

*PRC*

The Company’s subsidiaries in the PRC are subject to the statutory rate of 25%, in accordance with the Enterprise Income Tax law (the “EIT Law”), which was effective since January 1, 2008, except for the following entities eligible for preferential tax rates.

Under the EIT Law, if an entity is certified as a “High and New Technology Enterprise” (“HNTE”), it is entitled to a preferential income tax rate of 15%. Shanghai Lanting was eligible to a tax rate of 15% from 2022 to 2024. Beijing Lanting was eligible to a tax rate of 15% from 2024 to 2026.

*Singapore*

Ching International service PTE.LTD, Avant E-Commerce Service PTE.LTD and Avant Logistic Service PTE.LTD are located in Singapore and are subject to 17% statutory income tax rate with respect to the profit generated from Singapore, with 75% exemption on the first SGD 10,000 of taxable income and further 50% exemption on the next SGD 190,000 of taxable income.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The components of (loss) / income before income tax are as follows:

	Years ended December 31,		
	2023	2024	2025
PRC	\$ 1,795	\$ 325	\$ (147)
Hong Kong	(9,307)	(3,887)	10,150
Singapore and other regions	(2,038)	1,034	(1,785)
<b>Total</b>	<b>\$ (9,550)</b>	<b>\$ (2,528)</b>	<b>\$ 8,218</b>

The income tax expense / (benefit) comprises:

	Years ended December 31,		
	2023	2024	2025
Current tax			
PRC	\$ —	\$ —	\$ 32
Hong Kong	—	—	14
Singapore and other regions	—	9	—
	<u>—</u>	<u>9</u>	<u>46</u>
Deferred tax			
PRC	—	—	—
Hong Kong	—	—	(107)
Singapore and other regions	40	(48)	—
	<u>40</u>	<u>(48)</u>	<u>(107)</u>
<b>Income tax expense / (benefit)</b>	<b>\$ 40</b>	<b>\$ (39)</b>	<b>\$ (61)</b>

Upon the prospective adoption of ASU 2023-09 for the year ended December 31, 2025, the reconciliation of the Group's reported income tax expense to the theoretical tax amount that would arise using the statutory tax rate of the PRC against the Group's income before income taxes is as follows. The statutory tax rate of the PRC is applied as the Company has its principal place of business in the PRC.

	Year December 31, 2025	
Income tax calculated at the statutory tax rate of the PRC	\$ 2,055	25.0 %
Domestic tax effects		
R&D super deduction	(724)	(8.8)%
Changes in valuation allowance	761	9.3 %
Other adjustments	30	0.4 %
Foreign tax effects		
Hong Kong		
Statutory tax rate difference between Hong Kong and PRC	(563)	(6.9)%
Changes in valuation allowances	(1,647)	(20.0)%
Changes in unrecognized tax benefits	(107)	(1.3)%
Non-taxable income	(348)	(4.2)%
Other adjustments	35	0.4 %
Singapore and other regions		
Statutory tax rate difference between Singapore and other regions and PRC	359	4.3 %
Changes in valuation allowances	88	1.1 %
<b>Income tax benefit</b>	<b>\$ (61)</b>	<b>(0.7)%</b>

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The comparative periods of the years ended December 31, 2023 and 2024 have not been restated and follow the prior disclosure requirements in ASC 740, and are as follows:

	Years ended December 31,	
	2023	2024
Loss before income tax	\$ (9,550)	\$ (2,528)
Statutory income tax rate in the PRC	25 %	25 %
Income tax benefit at statutory tax rate	(2,387)	(632)
Non-deductible expenses	129	77
Statutory expense	(293)	(101)
R&D super deduction	(2,904)	(1,700)
Effect of preferential tax rates	(86)	50
Effect of income tax rate differences in jurisdictions other than the PRC	1,151	468
Prior year true up	(71)	88
Changes in valuation allowances	4,501	1,711
<b>Income tax expense / (benefit)</b>	<b>\$ 40</b>	<b>\$ (39)</b>

The principal components of the deferred tax assets and liabilities are as follows:

	As of December 31,	
	2024	2025
<b>Deferred tax assets:</b>		
Allowance for credit losses	\$ 158	\$ 161
Write-down for inventory	18	56
Lease liabilities	1,538	834
Net operating loss carry forwards	36,108	33,315
<b>Gross deferred tax assets</b>	<b>37,822</b>	<b>34,366</b>
Less: Valuation allowance	(36,017)	(33,318)
<b>Total deferred tax assets, net</b>	<b>\$ 1,805</b>	<b>\$ 1,048</b>
<b>Deferred tax liabilities:</b>		
Property and equipment, net	\$ (100)	\$ (77)
Acquired intangible assets	(268)	(244)
Operating lease ROU assets	(1,538)	(834)
<b>Total deferred tax liabilities</b>	<b>\$ (1,906)</b>	<b>\$ (1,155)</b>
<b>Net deferred tax assets</b>	<b>—</b>	<b>—</b>
<b>Net deferred tax liabilities</b>	<b>\$ (101)</b>	<b>\$ (107)</b>

As of December 31, 2025, the accumulated tax losses of subsidiaries incorporated in PRC, Hong Kong, Singapore and other regions, subject to the agreement of the relevant tax authorities, of \$24,673, \$180,572, \$6,637 and \$1,018, respectively, are allowed to be carried forward to offset future taxable profits. The carry forward of tax losses in Hong Kong and Singapore generally have no time limit, while the tax loss in PRC will expire, if unused, in the years ending December 31, 2026 through 2033.

The Group plans to indefinitely reinvest the undistributed earnings of its subsidiaries. As of December 31, 2025, all of the earnings distributable by our subsidiaries in China were reserved for permanent reinvestment in China, and no withholding tax has been accrued.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The Group’s valuation allowance is considered on each individual subsidiary. The Group has recognized the valuation allowance against deferred tax assets as the Group believes that it is more likely than not that its deferred tax assets will not be realized as it does not expect to generate sufficient taxable income in the near future.

*Movement of valuation allowance*

	Years ended December 31,	
	2024	2025
<b>Balance at beginning of the period</b>	<b>\$ 34,500</b>	<b>\$ 36,017</b>
Additions / (deductions)	1,517	(547)
Decrease related to subsidiaries’ cancellation	—	(2,152)
<b>Balance at end of the period</b>	<b>\$ 36,017</b>	<b>\$ 33,318</b>

*Unrecognized Tax Benefits*

As of December 31, 2024 and 2025, the carrying amounts of unrecognized tax benefits were \$107 and \$nil, respectively.

The Company and its subsidiaries’ major tax jurisdictions are Hong Kong, PRC and Singapore. Income tax returns of the Company and its subsidiaries remain open and subject to examination by the local tax authorities of Hong Kong, PRC and Singapore until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Hong Kong, PRC and Singapore are between four and six years.

**13. (LOSS) / INCOME PER SHARE**

The following table sets forth the computation of basic and diluted net (loss) / income per ordinary share for the following years:

	Years ended December 31,		
	2023	2024	2025
<b>Numerator:</b>			
Net (loss) / income attributable to ordinary shareholders of LightInTheBox Holding Co., Ltd. — basic	\$ (9,590)	\$ (2,489)	\$ 8,279
Adjusted net (loss) / income attributable to ordinary shareholders of LightInTheBox Holding Co., Ltd. — diluted	(9,590)	(2,489)	8,279
<b>Denominator:</b>			
Weighted average number of shares — basic	225,940,602	221,126,969	219,414,228
Effects of dilutive securities			
Options and nonvested shares	—	—	160,340
Weighted average number of shares — diluted	225,940,602	221,126,969	219,574,568
<b>Net (loss) / income per ordinary share — basic</b>	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>
<b>Net (loss) / income per ordinary share — diluted</b>	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>

For the year ended December 31, 2023, outstanding options of 5,734,080 and nonvested shares of 150,000 were excluded from the computation of diluted net loss per share as their inclusion would have been anti-dilutive.

**LIGHTINTHEBOX HOLDING CO., LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)**

For the year ended December 31, 2024, outstanding options of 6,842,494 and nonvested shares of 104,000 were excluded from the computation of diluted net loss per share as their inclusion would have been anti-dilutive.

For the year ended December 31, 2025, outstanding options of 5,617,038 and nonvested shares of 36,000 were excluded from the computation of diluted net loss per share as their inclusion would have been anti-dilutive.

**14. EMPLOYEE BENEFIT PLANS**

Full-time employees of the Group in the PRC participate in government mandated defined contribution plans, pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The PRC labor regulations require PRC subsidiaries of the Group to make contributions based on certain percentages of the employees' basic salaries, up to a maximum amount specified by the local government. The Group also makes payments to other defined contribution plans for the benefit of employees employed by subsidiaries outside of mainland China. The total contribution for such employee benefits, which were expensed as incurred, was \$6,832, \$4,353 and \$3,003 for the years ended December 31, 2023, 2024 and 2025, respectively.

**15. STATUTORY RESERVES AND RESTRICTED NET ASSETS**

In accordance with the PRC laws and regulations, the Company's subsidiaries incorporated in the PRC are required to provide for certain statutory reserves, namely general reserve, enterprise expansion reserve, and staff welfare and bonus reserve which are appropriated from net profit as reported in the subsidiaries' PRC statutory accounts. The Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their annual after-tax profits to the statutory reserve until such reserve has reached 50% of their respective registered capital based on their PRC statutory financial statements. Appropriations to the enterprise expansion fund, staff welfare and bonus fund are at the discretion of the board of directors for all the PRC subsidiaries. The aforementioned reserved funds can only be used for specific purposes and are not distributable as cash dividends.

As a result of these PRC laws and regulations, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Group. As of December 31, 2025, net assets restricted in the aggregate, which include paid-in capital and statutory reserve funds of the Company's PRC subsidiaries, were \$1,838.

**16. SEGMENT REPORTING**

The Group's chief operating decision maker has been identified as the Chief Executive Officer who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. The Group uses the management approach to determine the operating segments. The management approach is based on the internal organization and reporting used by the Group's chief operating decision maker in making decisions, allocating resources and assessing the performance.

The Group operated and reviewed its performance in two segments: (i) Product sales which consisted of online retailing of consumer products and sales to third-party sellers, and (ii) Services which consisted of provision of logistic services to companies and individual customers. Prime membership revenues are included in product sales, which are amortized over the membership period on a straight-line basis. Furthermore, the Group's chief operating decision maker evaluates performance based on each reporting segment's revenues, costs and gross profit.

There were no separate segment assets and segment liabilities information provided to the Group's Chief Executive Officer, as he does not use this information to allocate resources to or evaluate the performance of the segments.

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

The following table presents selected financial information relating to the Group’s segments:

	Year ended December 31, 2025			
	Product sales	Services	Corporate and Unallocated	Consolidated
<b>Revenues</b>				
Revenue recognized at a point in time	\$ 215,555	\$ —	\$ —	\$ 215,555
Revenue recognized over time	220	8,540	—	8,760
Cost of revenues	76,683	1,756	—	78,439
<b>Gross profit</b>	<b>139,092</b>	<b>6,784</b>	<b>—</b>	<b>145,876</b>
Fulfillment	11,992	4,601	—	16,593
Selling and marketing	102,478	—	20	102,498
General and administrative	15,854	1,705	2,003	19,562
Other operating income, net	(58)	(685)	—	(743)
<b>Income / (loss) from operations</b>	<b>8,826</b>	<b>1,163</b>	<b>(2,023)</b>	<b>7,966</b>
Interest income	7	—	—	7
Interest expense	(17)	—	—	(17)
Other income, net	246	16	—	262
<b>Total other income</b>	<b>236</b>	<b>16</b>	<b>—</b>	<b>252</b>
<b>Income / (loss) before income tax</b>	<b>\$ 9,062</b>	<b>\$ 1,179</b>	<b>\$ (2,023)</b>	<b>\$ 8,218</b>

	Year ended December 31, 2024			
	Product sales	Services	Corporate and Unallocated	Consolidated
<b>Revenues</b>				
Revenue recognized at a point in time	\$ 242,446	\$ —	\$ —	\$ 242,446
Revenue recognized over time	1,254	11,587	—	12,841
Cost of revenues	98,926	2,869	—	101,795
<b>Gross profit</b>	<b>144,774</b>	<b>8,718</b>	<b>—</b>	<b>153,492</b>
Fulfillment	12,308	6,624	—	18,932
Selling and marketing	111,825	—	94	111,919
General and administrative	22,506	1,381	1,848	25,735
Other operating income, net	(214)	(662)	—	(876)
<b>(Loss) / income from operations</b>	<b>(1,651)</b>	<b>1,375</b>	<b>(1,942)</b>	<b>(2,218)</b>
Interest income	53	37	—	90
Other (expense) / income, net	(472)	72	—	(400)
<b>Total other (loss) / income</b>	<b>(419)</b>	<b>109</b>	<b>—</b>	<b>(310)</b>
<b>(Loss) / income before income tax</b>	<b>\$ (2,070)</b>	<b>\$ 1,484</b>	<b>\$ (1,942)</b>	<b>\$ (2,528)</b>

LIGHTINTHEBOX HOLDING CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025  
(U.S. dollars in thousands, or otherwise noted)

	Year ended December 31, 2023			Consolidated
	Product sales	Services	Corporate and Unallocated	
<b>Revenues</b>				
Revenue recognized at a point in time	\$ 615,341	\$ —	\$ —	\$ 615,341
Revenue recognized over time	1,899	12,188	—	14,087
Cost of revenues	265,964	3,532	—	269,496
<b>Gross profit</b>	<b>351,276</b>	<b>8,656</b>	<b>—</b>	<b>359,932</b>
Fulfillment	29,580	5,336	—	34,916
Selling and marketing	302,245	415	34	302,694
General and administrative	29,138	1,725	3,215	34,078
Other operating income, net	(351)	(1,010)	—	(1,361)
<b>(Loss) / income from operations</b>	<b>(9,336)</b>	<b>2,190</b>	<b>(3,249)</b>	<b>(10,395)</b>
Interest income	270	80	—	350
Interest expense	—	(4)	—	(4)
Other income, net	485	14	—	499
<b>Total other income</b>	<b>755</b>	<b>90</b>	<b>—</b>	<b>845</b>
<b>(Loss) / income before income tax</b>	<b>\$ (8,581)</b>	<b>\$ 2,280</b>	<b>\$ (3,249)</b>	<b>\$ (9,550)</b>

The following table summarizes the Group's total revenues generated in different geographic locations and as a percentage of total revenues.

	Years ended December 31,					
	2023		2024		2025	
	Revenues	%	Revenues	%	Revenues	%
Europe	\$ 313,559	49.8	\$ 96,085	37.6	\$ 62,666	27.9
North America	235,974	37.5	119,513	46.8	133,030	59.3
Other countries	79,895	12.7	39,689	15.6	28,619	12.8
<b>Total revenues</b>	<b>\$ 629,428</b>	<b>100.0</b>	<b>\$ 255,287</b>	<b>100.0</b>	<b>\$ 224,315</b>	<b>100.0</b>

As of December 31, 2024 and 2025, substantially all of the long-lived assets of the Group are located in Singapore and the PRC.

**17. SUBSEQUENT EVENTS**

The Group has evaluated subsequent events through the date of issuance of the consolidated financial statements and does not identify any events that would require recognition or disclosure in the consolidated financial statements.

## LIGHTINTHEBOX HOLDING CO., LTD.

Schedule I—Condensed Financial Information of the Parent Company  
Balance Sheets  
(All amounts in thousands)

	December 31,	
	2024	2025
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 73	\$ 55
Amounts due from subsidiaries	147,616	145,866
<b>TOTAL ASSETS</b>	<b>\$ 147,689</b>	<b>\$ 145,921</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accrued expenses and other current liabilities	\$ 158	\$ 302
Deficit of investments in subsidiaries	160,703	149,602
<b>TOTAL LIABILITIES</b>	<b>\$ 160,861</b>	<b>\$ 149,904</b>
<b>SHAREHOLDERS' DEFICIT</b>		
Ordinary shares	\$ 17	\$ 17
Additional paid-in capital	282,766	280,646
Treasury shares, at cost	(30,880)	(29,392)
Accumulated deficit	(261,810)	(253,531)
Accumulated other comprehensive income	(3,265)	(1,723)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	<b>(13,172)</b>	<b>(3,983)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<b>\$ 147,689</b>	<b>\$ 145,921</b>

## LIGHTINTHEBOX HOLDING CO., LTD.

Schedule I—Condensed Financial Information of the Parent Company  
Statements of Operations and Comprehensive (Loss) / Income  
(All amounts in thousands)

	Years ended December 31,		
	2023	2024	2025
General and administrative	\$ 1,222	\$ 984	\$ 1,188
<b>Operating loss</b>	<b>(1,222)</b>	<b>(984)</b>	<b>(1,188)</b>
Share of (loss) / income from subsidiaries	(8,368)	(1,505)	9,467
<b>Loss before income tax</b>	<b>(9,590)</b>	<b>(2,489)</b>	<b>8,279</b>
Income tax expense	—	—	—
<b>Net (loss) / income</b>	<b>(9,590)</b>	<b>(2,489)</b>	<b>8,279</b>
<b>Other comprehensive income loss:</b>			
Foreign currency translation adjustment, net of nil income tax	(832)	(1,409)	1,542
<b>Total comprehensive (loss) / income attributable to Lightinthebox Holding Co., Ltd.'s shareholders</b>	<b>\$ (10,422)</b>	<b>\$ (3,898)</b>	<b>\$ 9,821</b>

LIGHTINTHEBOX HOLDING CO., LTD.

Schedule I—Condensed Financial Information of the Parent Company  
Statements of Cash Flows  
(All amounts in thousands)

	Years ended December 31,		
	2023	2024	2025
<b>Cash flow from operating activities</b>			
Net (loss) / income	\$ (9,590)	\$ (2,489)	\$ 8,279
Adjustments to reconcile net income to net cash by operating activities			
Share of (loss) / income from subsidiaries	8,368	1,505	(9,467)
Prepaid expenses and other current assets	30	156	—
Accrued expenses and other current liabilities	(72)	(509)	144
<b>Net cash used in operating activities</b>	<b>(1,264)</b>	<b>(1,337)</b>	<b>(1,044)</b>
<b>Cash flows from investing activities</b>			
Changes in amounts due from subsidiaries	4,205	1,925	1,750
Capital injection to a subsidiary	—	(50)	—
<b>Net cash provided by investing activities</b>	<b>4,205</b>	<b>1,875</b>	<b>1,750</b>
<b>Cash flows from financing activities</b>			
Issuance of ordinary shares from treasury shares	45	—	—
Repurchase of ordinary shares	(2,296)	(1,237)	(724)
<b>Net cash used in financing activities</b>	<b>(2,251)</b>	<b>(1,237)</b>	<b>(724)</b>
Net increase / (decrease) in cash and cash equivalents	690	(699)	(18)
<b>Cash and cash equivalents at beginning of the year</b>	<b>82</b>	<b>772</b>	<b>73</b>
<b>Cash and cash equivalents at end of the year</b>	<b>\$ 772</b>	<b>\$ 73</b>	<b>\$ 55</b>

The Company performed a test on the restricted net assets of its consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), “General Notes to Financial Statements” and concluded that it was applicable for the Company to disclose the financial information for the Company only.

As of December 31, 2025, there were no material contingencies, significant provisions of long-term obligations, and mandatory dividend or redemption requirements of redeemable shares or guarantees of the Parent Company.

Basis of presentation

Condensed financial information is used for the presentation of the Company, or the parent company. The condensed financial information of the parent company has been prepared using the same accounting policies as set out in the Group’s consolidated financial statements except that the parent company used the equity method to account for its investment in its subsidiaries.

The parent Company records its investments in subsidiaries under the equity method of accounting. Such investments are presented on the condensed balance sheets as “Deficit of investments in subsidiaries” and their respective loss as “Share of (loss) / income from subsidiaries” on the condensed statements of operations and comprehensive (loss) / income.

Ordinarily under the equity method, an investor in an equity method investee would cease to recognize its share of the losses of an investee once the carrying value of the investment is reduced to zero unless the investor has guaranteed obligations of the subsidiaries or is otherwise committed to provide further financial support. For the purpose of this parent only information, the Parent Company has continued to reflect its share, based on its proportionate interest, of the losses of subsidiaries and regardless of the carrying value of the investments even though the Parent Company is not obligated to provide continuing support or fund losses.

## MAJOR SUBSIDIARIES OF THE REGISTRANT

## Major Subsidiaries

Ching International Service PTE.LTD	Singapore
Avant E-commerce Service PTE.LTD	Singapore
Avant Logistic Service PTE.LTD	Singapore
LITB Netherlands B.V.	Netherlands
Ador Inc.	the United States
Lanting International Holding Limited	Hong Kong
LT ecommerce Limited	Hong Kong
Light In The Box Limited	Hong Kong
Ezbuy Holdings Limited	Hong Kong
Yourstore Limited	Hong Kong
My Wardrobe Limited	Hong Kong
Ezbuy Holding Co., Limited	Cayman Islands
Chengdu Light In The Box Information Technology Co., Limited	PRC
Shanghai Light In The Box Information Technology Co., Limited	PRC
Beijing Light In The Box Information Technology Co., Limited	PRC
Shenzhen Light In The Box Information Technology Co., Limited	PRC
Dongguan Herui Supply Chain Management Co., Limited	PRC

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**Certification by the Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jian He, certify that:

1. I have reviewed this annual report on Form 20-F of LightInTheBox Holding Co., Ltd.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
  - (d) Disclosed in this annual report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Jian He

\_\_\_\_\_  
Name: Jian He

Title: Chief Executive Officer

Date: April 2, 2026

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**Certification by the Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Suhai Ji, certify that:

1. I have reviewed this annual report on Form 20-F of LightInTheBox Holding Co., Ltd.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (e) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - (f) 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;
  - (g) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
  - (h) Disclosed in this annual report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (c) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (d) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Suhai Ji

\_\_\_\_\_  
Name: Suhai Ji

Title: Chief Financial Officer

Date: April 2, 2026

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**Certification by the Chief Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of LightInTheBox Holding Co., Ltd. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jian He, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Jian He

Name: Jian He

Title: Chief Executive Officer

Date: April 2, 2026

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**Certification by the Chief Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of LightInTheBox Holding Co., Ltd. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Suhai Ji, chief financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Suhai Ji

Name: Suhai Ji

Title: Chief Financial Officer

Date: April 2, 2026

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT**

We consent to the incorporation by reference in this Registration Statement on Form S-8 (File No. 333- 191788, File No. 333-201100, File No. 333-232411) and Form F-3 (File No. 333-212007) of LightInTheBox Holding Co., Ltd. of our report dated April 2, 2026 relating to the financial statements and related financial statement schedule appearing in the Annual Report on Form 20-F of LightInTheBox Holding Co., Ltd. for the year ended December 31, 2025.

/s/ Marcum Asia CPAs LLP

Beijing, the People's Republic of China  
April 2, 2026

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