UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended June 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from_______to _______.

Commission File Number: **001-35147**

Moatable, Inc.

(Exact Name Of Registrant As Specified In Its Charter)

Cayman Islands
(State Or Other Jurisdiction Of Incorporation or Organization)

Not Applicable
(IRS Employer Identification No.)

45 West Buchanan Street, Phoenix, Arizona
(Address of Principal Executive Offices)

85003
(Zip Code)

(833) 258-7482
(Registrant's Telephone Number, Including Area Code)

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

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

Title of each class	Trading Symbol(s)
American depositary shares, each representing 45 Class A ordinary shares	MTBLY
Class A ordinary shares, par value $0.001 per share*	N/A

* Not for trading, but only in connection with the quoting of American depositary shares on the OTC Market.

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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

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

As of August 7, 2024, the registrant had 641,643,346 Class A ordinary shares and 170,258,970 Class B ordinary shares outstanding.

Moatable, Inc.
Form 10-Q
For the Quarterly Period Ended June 30, 2024

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Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events, financial or operating performance. Forward-looking statements often include words such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, risks, or intentions. Forward-looking statements include, among other things, statements regarding:

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

Forward-looking statements may appear throughout this report and other documents we file with the Securities and Exchange Commission ("SEC"), including without limitation, the following sections: Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q and Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q, and in particular, the risks discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and those discussed in other documents we file with the SEC. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

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

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

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOATABLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND JUNE 30, 2024
(In thousands, except per share amounts and shares) (Unaudited)

	As of	
	December 31, 2023	June 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 33,913	$ 34,067
Restricted cash	5,056	5,170
Accounts receivable, net	2,603	3,231
Amounts due from related parties	684	665
Prepaid expenses and other current assets, net	3,928	3,950
Total current assets	**46,184**	**47,083**
Non-current assets		
Property and equipment, net	6,157	6,109
Intangible assets, net	727	448
Long-term investments	15,733	13,783
Right-of-use assets	744	507
Other non-current assets	155	185
Total non-current assets	**23,516**	**21,032**
TOTAL ASSETS	**$ 69,700**	**$ 68,115**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,064	$ 1,999
Accrued expenses and other current liabilities	10,557	9,821
Operating lease liabilities - current	461	405
Amounts due to related parties	655	609
Deferred revenue	4,322	4,551
Income tax payable	3,381	3,533
Total current liabilities	**21,440**	**20,918**
Non-current liabilities		
Operating lease liabilities - non-current	189	8
Total non-current liabilities	**189**	**8**
TOTAL LIABILITIES	**$ 21,629**	**$ 20,926**

MOATABLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS- continued
DECEMBER 31, 2023 AND JUNE 30, 2024
(In thousands, except per share amounts and shares) (Unaudited)

	As of	
	December 31, 2023	June 30, 2024
Commitments and contingencies	—	—
Shareholders' equity		
Class A ordinary shares, $0.001 par value, 3,000,000,000 shares authorized; 607,424,941 shares issued and 550,232,776 shares outstanding as of December 31, 2023; 708,736,861 shares issued and 641,148,841 shares outstanding as of June 30, 2024	$ 608	$ 709
Class B ordinary shares, $0.001 par value, 500,000,000 shares authorized; 170,258,970 shares issued and outstanding as of December 31, 2023 and June 30, 2024; each Class B ordinary share is convertible into one Class A ordinary share	170	170
Treasury stock	(2,002)	(2,189)
Additional paid in capital	782,365	784,406
Accumulated deficit	(716,315)	(719,291)
Statutory reserves	6,712	6,712
Accumulated other comprehensive loss	(8,778)	(8,936)
Total Moatable, Inc. shareholders' equity	**62,760**	**61,581**
Non-controlling interest	**(14,689)**	**(14,392)**
Total equity	**48,071**	**47,189**
TOTAL LIABILITIES AND EQUITY	**$ 69,700**	**$ 68,115**

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

MOATABLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 and 2024
(In thousands, except per share amounts and shares) (Unaudited)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Revenues:				
SaaS revenue	$ 12,851	$ 15,249	$ 24,931	$ 29,231
Other services	17	40	86	81
Total revenues	**12,868**	**15,289**	**25,017**	**29,312**
Cost of revenues:				
SaaS business	2,606	3,464	5,261	6,744
Other services	15	36	83	72
Total cost of revenues	**2,621**	**3,500**	**5,344**	**6,816**
Gross profit	**10,247**	**11,789**	**19,673**	**22,496**
Operating expenses				
Selling and marketing	4,639	4,576	9,535	8,363
Research and development	4,911	4,555	9,813	9,013
General and administrative	3,528	3,136	6,575	6,534
Impairment of intangible assets	—	—	—	207
Total operating expenses	**13,078**	**12,267**	**25,923**	**24,117**
Loss from operations	**(2,831)**	**(478)**	**(6,250)**	**(1,621)**
Other income (expense), net	1,218	(52)	1,195	(18)
(Loss) Gain from fair value change of a long-term investment	(7,755)	(133)	521	(1,621)
Interest income	437	409	793	771
Loss before provision of income tax and income (loss) in equity method investments and non-controlling interest, net of tax	**(8,931)**	**(254)**	**(3,741)**	**(2,489)**
Income tax expenses	—	(121)	—	(236)
Loss before income (loss) in equity method investments and non-controlling interest, net of tax	**(8,931)**	**(375)**	**(3,741)**	**(2,725)**
Impairment on and income (loss) in equity method investments, net of tax	170	193	314	(298)
Net loss	**$ (8,761)**	**$ (182)**	**$ (3,427)**	**$ (3,023)**
Net loss attributable to non-controlling interests	(350)	(20)	(986)	(47)
Net loss attributable to Moatable Inc.	**$ (8,411)**	**$ (162)**	**$ (2,441)**	**$ (2,976)**
Net loss per share:				
Net loss per share attributable to Moatable Inc. shareholders:				
Basic	$ (0.008)	$ (0.0002)	$ (0.002)	$ (0.004)
Diluted	(0.008)	(0.0002)	(0.002)	(0.004)
Weighted average number of shares used in calculating net loss per share attributable to Moatable Inc. shareholders:				
Basic	1,007,327,376	809,022,314	1,074,919,510	764,182,360
Diluted	1,007,327,376	809,022,314	1,074,919,510	764,182,360

Net loss	**$ (8,761)**	**$ (182)**	**$ (3,427)**	**$ (3,023)**
Other comprehensive income (loss), net of tax				
Foreign currency translation, net of nil income taxes	349	6	481	(42)
Net unrealized gain (loss) on available-for-sale investments, net of nil income taxes for the three and six months ended June 30, 2023 and 2024, respectively	4	—	(38)	—
Other comprehensive income (loss)	**353**	**6**	**443**	**(42)**
Comprehensive loss	**(8,408)**	**(176)**	**(2,984)**	**(3,065)**
Less: total comprehensive (loss) income attributable to non-controlling interest	(475)	97	(1,106)	69
Comprehensive loss attributable to Moatable Inc.	**$ (7,933)**	**$ (273)**	**$ (1,878)**	**$ (3,134)**

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

MOATABLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2024
(In thousands, except share amounts and shares) (Unaudited)

	Class A Ordinary shares		Class B Ordinary shares		Treasury stock		Additional	Accumulated	Statutory	Accumulated other comprehensive	Total Moatable	Non-controlling	Total
	Shares	Amount	Shares	Amount	Shares	Amount	paid-in capital	deficit	reserves	income (loss)	Inc.'s Equity	interest	equity
Balance as of December 31, 2022	**832,736,562**	**$ 833**	**305,388,450**	**$ 305**	**—**	**$ —**	**$ 779,002**	**$ (697,299)**	**$ 6,712**	**$ (8,951)**	**$ 80,602**	**$ (13,888)**	**$ 66,714**
Stock-based compensation	—	—	—	—	—	—	644	—	—	—	644	121	765
Repurchase of Class A ordinary shares	—	—	—	—	(30,549,690)	(1,249)	—	—	—	—	(1,249)	—	(1,249)
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	—	(42)	(42)	—	(42)
Other comprehensive income	—	—	—	—	—	—	—	—	—	127	127	5	132
Reclassification of additional paid-in capital	—	—	—	—	—	—	838	(838)	—	—	—	—	—
Net income (loss)	—	—	—	—	—	—	—	5,970	—	—	5,970	(636)	5,334
Exercise of share options and restricted shares vesting	30,645,751	3	—	—	—	—	33	—	—	—	36	—	36
Balance as of March 31, 2023	**863,382,313**	**$ 836**	**305,388,450**	**$ 305**	**(30,549,690)**	**$ (1,249)**	**780,517**	**$ (692,167)**	**6,712**	**$ (8,866)**	**$ 86,088**	**$ (14,398)**	**$ 71,690**
Stock-based compensation	—	—	—	—	—	—	597	—	—	—	597	116	713
Repurchase of Class A ordinary shares	(152,870,520)	(153)	—	—	(24,415,605)	(704)	—	(3,633)	—	—	(4,490)	—	(4,490)
Repurchase of Class B ordinary shares	—	—	(135,129,480)	(135)	—	—	—	(3,211)	—	—	(3,346)	—	(3,346)
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	—	4	4	—	4
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	474	474	(125)	349
Net loss	—	—	—	—	—	—	—	(8,411)	—	—	(8,411)	(350)	(8,761)
Exercise of share options and restricted shares vesting	5,272,890	33	—	—	—	—	(33)	—	—	—	—	—	—
Balance as of June 30, 2023	**715,784,683**	**$ 716**	**170,258,970**	**$ 170**	**(54,965,295)**	**$ (1,953)**	**781,081**	**$ (707,422)**	**6,712**	**$ (8,388)**	**$ 70,916**	**$ (14,757)**	**$ 56,159**
Balance as of December 31, 2023	**607,424,941**	**$ 608**	**170,258,970**	**$ 170**	**(57,192,165)**	**$ (2,002)**	**$ 782,365**	**$ (716,315)**	**$ 6,712**	**$ (8,778)**	**$ 62,760**	**$ (14,689)**	**$ 48,071**
Stock-based compensation	—	—	—	—	—	—	555	—	—	—	555	117	672
Repurchase of Class A ordinary shares	—	—	—	—	(7,991,370)	(155)	—	—	—	—	(155)	—	(155)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(47)	(47)	(1)	(48)
Net loss	—	—	—	—	—	—	—	(2,814)	—	—	(2,814)	(27)	(2,841)
Exercise of share option and restricted shares vesting	96,104,340	96	—	—	—	—	944	—	—	—	1,040	—	1,040
Balance as of March 31, 2024	**703,529,281**	**$ 704**	**170,258,970**	**$ 170**	**(65,183,535)**	**$ (2,157)**	**$ 783,864**	**$ (719,129)**	**$ 6,712**	**$ (8,825)**	**$ 61,339**	**$ (14,600)**	**$ 46,739**
Stock-based compensation	—	—	—	—	—	—	542	—	—	—	542	111	653
Repurchase of Class A ordinary shares	—	—	—	—	(2,404,485)	(32)	—	—	—	—	(32)	—	(32)
Other comprehensive (loss) income	—	—	—	—	—	—	—	—	—	(111)	(111)	117	6
Net loss	—	—	—	—	—	—	—	(162)	—	—	(162)	(20)	(182)
Exercise of share option and restricted shares vesting	5,207,580	5	—	—	—	—	—	—	—	—	5	—	5
Balance as of June 30, 2024	**708,736,861**	**$ 709**	**170,258,970**	**$ 170**	**(67,588,020)**	**$ (2,189)**	**$ 784,406**	**$ (719,291)**	**$ 6,712**	**$ (8,936)**	**$ 61,581**	**$ (14,392)**	**$ 47,189**

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

MOATABLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 and 2024
(In thousands) (Unaudited)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities:		
Net loss	**$ (3,427)**	**$ (3,023)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	1,478	1,325
Impairment on and (income) loss in equity method investments	(314)	298
Amortization of the right-of-use assets	248	216
Depreciation and amortization	270	209
Release of tax liabilities	(1,308)	—
Loss from disposal of subsidiaries	308	—
Impairment on intangible asset	—	207
Provision on other receivable	—	737
Fair value change on long-term investment	(521)	1,621
Changes in operating assets and liabilities:		
Accounts receivable	(727)	(628)
Prepaid expenses and other current assets	23	(755)
Other non-current assets	—	(30)
Accounts payable	(185)	(62)
Amounts due from/to related parties	(2)	—
Accrued expenses and other current liabilities	(757)	(540)
Deferred revenue	40	229
Operating lease liabilities	(268)	(245)
Income tax payable	—	152
Net cash used in operating activities	**(5,142)**	**(289)**
Cash flows from investing activities:		
Redemption of short-term investments	4,905	—
Dividend received from equity investment	52	—
Proceeds from disposal of equipment and property	1	—
Purchases of equipment and refurbishment construction	(916)	(136)
Purchases of intangible assets	(121)	—
Net cash provided by (used in) investing activities	**3,921**	**(136)**
Cash flows from financing activities:		
Proceeds from exercise of share options	36	1,045
Ordinary share buyback	(9,085)	(187)
Dividend received from stipulation settlement	2,630	—
Net cash (used in) provided by financing activities	**(6,419)**	**858**
Net (decrease) increase in cash and cash equivalents and restricted cash	**(7,640)**	**433**
Cash and cash equivalents and restricted cash at beginning of period	**27,960**	**38,969**
Effect of exchange rate changes	**479**	**(165)**
Cash and cash equivalents and restricted cash at end of period	**$ 20,799**	**$ 39,237**
Reconciliation of cash, cash equivalents, and restricted cash reported within the condense consolidated balance sheets		
Cash and cash equivalents	$ 20,799	$ 34,067
Restricted cash	—	5,170
Cash and cash equivalents and restricted cash at the end of the period	**$ 20,799**	**$ 39,237**
Schedule of non-cash activities:		
Obtaining right-of-use assets in exchange for operating lease liabilities	$ 260	$ —

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

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

As of June 30, 2024, Moatable, Inc.'s major subsidiaries, VIE and VIE's subsidiaries are as follows:

Name of Subsidiaries	Later of date of incorporation or acquisition	Place of incorporation	Percentage of legal ownership by Moatable Inc.	Principal activities
Subsidiaries:				
Lofty, Inc.("Lofty")	September 7, 2012	Delaware, USA	76.4 %	SaaS business
Trucker Path, Inc. ("Trucker Path")	December 28, 2017	Delaware, USA	76.1 %	SaaS business
Renren Giantly Philippines Inc.	March, 2018	Philippines	100 %	SaaS business
Qianxiang Shiji Technology Development (Beijing) Co., Ltd. ("Qianxiang Shiji")	March 21, 2005	PRC	100 %	Investment holding
Variable Interest Entity:				
Beijing Qianxiang Tiancheng Technology Development Co., Ltd. ("Qianxiang Tiancheng")	October 28, 2002	PRC	N/A	Software developer
Subsidiaries of Variable Interest Entity:				
Beijing Qianxiang Wangjing Technology Development Co., Ltd. ("Qianxiang Wangjing")	November 11, 2008	PRC	N/A	Software developer

The VIE arrangements

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

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

More specifically, the Company believes the terms of the contractual agreements are valid, binding, and enforceable under PRC laws and regulations currently in effect. In particular, the Company believes that the minimum amount of consideration permitted by the applicable PRC law to exercise the exclusive option does not represent a financial barrier or disincentive for the Company to exercise its rights under the exclusive option agreement. A simple majority vote of the Company's board of directors is required to pass a resolution to exercise the Company's rights under the exclusive option agreement, for which the consent from Mr. Joe Chen, who holds the most voting interests in the Company and is also the Company's chairman and CEO, is not required. The Company's rights under the exclusive option agreement give the Company the power to control the shareholders of the VIE and thus the power to direct the activities that most significantly impact the VIE's economic performance. In addition, the Company's rights under powers of attorney also reinforce the Company's abilities to direct the activities that most significantly impact the VIE's economic performance. The Company also believes that this ability to exercise control ensures that the VIE will continue to execute and renew service agreements that benefit the Company, currently largely comprised of Research and Development services to the Company's SaaS businesses. By charging service fees at the sole discretion of the Company, and by ensuring that service agreements are executed and renewed indefinitely, the Company has the right to receive substantially all of the economic benefits from the VIE.

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

The following financial statement balances and amounts of the Company's VIE were included in the accompanying condensed consolidated financial statements after elimination of intercompany balances and transactions between the offshore companies, WFOE, VIE and VIE's subsidiaries (in thousands). As of December 31, 2023 and June 30, 2024, the balance of the amounts payable by the VIE and its subsidiaries to the WFOE related to the service fees were nil.

	As of December 31, 2023	As of June 30, 2024
Total assets	$ 7,001	$ 6,448
Total liabilities	$ 11,877	$ 7,995

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Revenues	$ 22	$ 21	$ 56	$ 41
Net Loss	$ (2,355)	$ (3,779)	$ (6,738)	$ (6,525)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net cash provided by operating activities	$ 1,474	$ 244
Net cash used in investing activities	$ (55)	$ (5)
Net cash used in financing activities	$ —	$ —

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with audited consolidated financial statements and accompanying notes in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Certain reclassifications have been made to the Company's consolidated statements of operations of prior period to conform to current year reporting classifications.

Principles of consolidation

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

Use of estimates

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

Fair value

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

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

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

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

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

Restricted Cash

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

Accounts receivable and allowance for credit loss

Accounts receivable are stated at the original amount less an allowance for credit loss. Accounts receivable are recognized in the period when the Company has provided services to its customers and when its right to consideration is unconditional. The Company evaluates its accounts receivable for expected credit losses on a regular basis. The Company maintains an estimated allowance for credit losses to reduce its accounts receivable to the amount that it believes will be collected. The Company considers factors in assessing the collectability of its receivables, such as the age of the amounts due, the customer's payment history, credit-worthiness, current market conditions, reasonable and supportable forecasts of future economic conditions, and other specific circumstances related to the accounts. The Company adjusts the allowance percentage periodically when there are significant differences between estimated bad debts and actual bad debts. If there is strong evidence indicating that the accounts receivable is likely to be unrecoverable, the Company also makes specific allowance in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted. For the three and six months ended June 30, 2023 and 2024, the Company recorded no allowance for credit loss for accounts receivable.

Revenue recognition

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

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

The Company generated the majority of revenue from SaaS services.

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

Other services: Other services mainly include revenue from the provision of back-office services to Oak Pacific Investment ("OPI") and revenue from non-recurring sources. The Company provides back-office services including accounting, legal, and business-related consulting services, which is a single performance obligation provided over the contract periods with pre-determined stand-alone selling price. The Company recognizes revenue over the contract periods.

Contract balances: Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent amounts invoiced and revenue recognized when the Company has satisfied the Company's performance obligation and has the unconditional right to payment. There were no contract assets recorded as of December 31, 2023 and June 30, 2024.

Deferred revenue mainly represents payments received from customers related to unsatisfied performance obligations for SaaS. The Company's total deferred revenue was $4,322 and $4,551 as of December 31, 2023 and June 30, 2024, respectively, which is expected to be recognized as revenue within one year. The amount of revenue recognized during the six months ended June 30, 2023 and 2024 that was previously included in the deferred revenue as of December 31, 2022 and 2023 were $3,371 and $3,310, respectively.

Recent accounting pronouncements not yet adopted

In November 2023, the FASB issued ASU 2023-07, which modifies the disclosure and presentation requirements of reportable segments. The new guidance requires the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit and loss. In addition, the new guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and contains other disclosure requirements. The update is to be adopted retrospectively to all periods presented and is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is in the process of evaluation the impact of adopting this new guidance on its consolidated financial statement.

In December 2023, the FASB issued ASU 2023-09, Improvement to Income Tax Disclosure. This standard requires more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This standard also includes certain other amendments to improve the effectiveness of income tax disclosures. ASU 2023-09 is to be adopted on a prospective basis with the option to apply retrospectively and is effective for public business entities, for annual periods beginning after December 15, 2024. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. The Company is in the process of evaluation the impact of adopting this new guidance on its consolidated financial statement.

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

3. LONG-TERM INVESTMENTS

Long-term investments consisted of the following (in thousands):

	Note	As of December 31, 2023	As of June 30, 2024
Equity method investments:			
Fundrise, L.P.	(i)	$ 12,504	$ 12,794
Other	(ii)	600	—
Total equity method investments		13,104	12,794
Equity investment with readily determinable fair values			
Kaixin Auto Holdings	(iii)	$ 1,921	$ 300
Equity investment without readily determinable fair values			
Suzhou Youge Interconnection Venture Capital Center		708	689
Total equity investments without readily determinable fair values		708	689
Total long-term investments		$ 15,733	$ 13,783

(i) In October 2014, the Company entered into an agreement to purchase limited partnership interest of Fundrise, L.P. for a total consideration of $10,000. The Company held 98.04% equity interest as limited partner as of December 31, 2023 and June 30, 2024 and recognized its share of income of $170 and $193 for the three months ended June 30, 2023 and 2024, and share of income of $262 and $290 for the six months ended June 30, 2023 and 2024, respectively.

(ii) In May 2014, the Company entered into an agreement to purchase limited partnership interest of Beijing Fenghou Tianyuan Investment and Management Center L.P. for a total consideration of $1,385 (RMB10 million). The Company held 12.38% partnership interest as of December 31, 2023 and June 30, 2024 and recognized no share of income for the three and six months ended June 30, 2023 and 2024. For the three and six months ended June 30, 2024, the Company recognized an impairment loss of nil and $588, respectively.

(iii) As of June 30, 2024, the Company's equity interest in Kaixin was 16.6% and the investment in Kaixin was accounted for as equity investment with readily determinable fair value. For the three months ended June 30, 2023 and 2024, the Company recognized a $7,755 and $135 unrealized loss as a change of fair value to the investment of Kaixin. For the six months ended June 30, 2023 and 2024, the Company recognized a $521 unrealized income and $1,621 unrealized loss as a change of fair value to the investment of Kaixin, which was booked in gain (loss) from fair value change of a long-term investment. As of June 30, 2024, the market value of the Company's equity investment in Kaixin Auto Holdings decreased to $300 from $1,921 as of December 31, 2023. The decrease in value is a result of a change in the quoted share price.

4. OPERATING LEASES

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

For the three months ended June 30, 2023 and 2024, cash paid for amounts included in the measurement of lease liabilities was $53 and $122, respectively. For the six months ended June 30, 2023 and 2024, cash paid for amounts included in the measurement of lease liabilities was $268 and $245, respectively.

The operating lease cost and short-term lease cost for the three and six months ended June 30, 2023 and 2024 were as follows (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2024	2023	2024
Selling expenses	$ 45	$ 21	$ 93	$ 39
Research and development expenses	70	73	140	194
General and administrative expenses	10	14	61	34
Total operating lease cost	**125**	**108**	**294**	**267**
Short-term lease cost	21	76	80	85
Total lease cost	**$ 146**	**$ 184**	**$ 374**	**$ 352**

The weighted average remaining lease term as of December 31, 2023 and June 30, 2024 was 1.64 and 1.16 years, and the weighted average discount rate of the operating leases was 10.30% and 10.30%, respectively.

Maturities of lease liabilities as of June 30, 2024 were as follows (in thousands):

	Operating Lease
Remainder of 2024	$ 247
2025	188
Total undiscounted lease payment	435
Less: Imputed interest	(22)
Present value of lease liabilities	$ 413

5. ORDINARY SHARES

Exercise of share options and restricted shares vesting

During the three months ended June 30, 2023 and 2024, 5,272,890 and 5,207,580 Class A ordinary shares were issued due to the exercise of share options or vesting of restricted share units under share-based compensation, respectively; and during the six months ended June 30, 2023 and 2024, 35,918,641 and 101,311,920 Class A ordinary shares were issued due to the exercise of share options or vesting of restricted share units under share - based compensation, respectively.

Stock Repurchase from public market

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

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

For the three months ended June 30, 2023 and 2024, the Company repurchased 542,569 and 53,433 ADSs, representing 24,415,605 and 2,404,485 Class A ordinary shares (each ADS is equivalent to 45 Ordinary Shares) for $704 and $32 on the open market, at a weighted average price of $1.30 and $0.61 per ADS, respectively. For the six months ended June 30, 2023 and 2024, the Company repurchased 1,221,451 and 231,019 ADSs, representing 54,965,295 and 10,395,855 Class A ordinary shares (each ADS is equivalent to 45 Ordinary Shares) for $1,953 and $187 on the open market, at a weighted average price of $1.60 and $0.81 per ADS, respectively.

The following table sets forth repurchase activity under the Stock Repurchase Program for the three months ended June 30, 2024 (amount in thousands, except share and per share amounts):

	Total Number of ADSs Purchased	Average Price Paid Per ADS	Approximate Dollar Value of ADSs That Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of ADSs That May Yet Be Purchased Under the Programs
Periods				
April 2024				
Open market purchases	36,131	$ 0.52	$ 19	$ 3,233
May 2024:				
Open market purchases	17,302	$ 0.75	$ 13	$ 3,220
June 2024:				
Open market purchases	—	$ —	$ —	$ 3,220
Total	**53,433**		**$ 32**	

6. SHARE-BASED COMPENSATION

Moatable, Inc. Stock options

The following table summarizes information with respect to share options outstanding as of June 30, 2024:

	Options outstanding				Options exercisable			
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
$ 0.01	250,000	9.99	$ 0.01	$ 0.01	—	—	$ —	$ —
	250,000			$ 0.01	—			$ —

	Number of shares	Weighted average exercise price
Balance, December 31, 2023	91,646,055	$ 0.01
Granted	250,000	$ 0.01
Exercised	(91,646,055)	$ 0.01
Balance, June 30, 2024	250,000	$ 0.01
Exercisable, June 30, 2024	—	$ —
Expected to vest, June 30, 2024	250,000	$ 0.01

Share-based compensation is based on the fair value on the grant dates or the modification date over the requisite service period of award using the straight-line method. For the three and six months ended June 30, 2024, the Company granted an aggregate of 250,000 options to Joseph Chen, the chairman and the chief executive of the Company to compensate for his service. The weighted average grant - date fair value of the options granted during the period presented was $0.01 per option. 25% of these options will vest on the yearly anniversary of the vesting commencement date for a total of four years, subject to the option holder's continuous service as of each such date.

For employee stock options, the Company did not record any share-based compensation expense for the three months and six months ended June 30, 2023 and 2024, respectively.

For the three and six months ended June 30, 2023 and 2024, there was no share-based compensation recorded for non-employee options.

As of June 30, 2024, there was $4 unrecognized share-based compensation expense relating to share options. This amount is expected to be recognized over a weighted - average vesting period of 4.00 years.

Moatable, Inc. Nonvested restricted shares

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

	Nonvested restricted shares		Weighted average fair value per ordinary share at the grant dates
Outstanding as of December 31, 2023	20,538,376	$	0.07
Granted	1,313,865		0.05
Vested	(9,665,865)	$	0.09
Forfeited	(4,890,645)		0.04
Outstanding as of June 30, 2024	7,295,731	$	0.06

The Company recorded compensation expenses based on the fair value of nonvested restricted shares on the grant dates over the requisite service period of award using the straight-line vesting attribution method. The fair value of the nonvested restricted shares on the grant date was the closing market price of the ordinary shares as of the date. The Company recorded compensation expenses related to nonvested restricted shares of $597 and $542 for the three months ended June 30, 2023 and 2024, and $1,241 and $1,097 for the six months ended June 30, 2023 and 2024, respectively.

Total unrecognized compensation expense amounting to $1,380 related to nonvested restricted shares granted as of June 30, 2024. The expense is expected to be recognized over a weighted-average period of 0.83 years.

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

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

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

For the three and six months ended June 30, 2024, Lofty granted an aggregate of 7,800 options under 2021 Lofty Plan to Joseph Chen, the chairman and the chief executive of the Company as compensation and Grant Moon, a director of the Company, for their service. The weighted average grant-date fair value of the options granted during the period presented was $25.20 per option. 25% of these options will vest on the yearly anniversary of the vesting commencement date for a total of four years, subject to the option holder’s continuous service as of each such date.

For the three and six months ended June 30, 2024, Trucker Path granted an aggregate of 7,800 options under 2021 Trucker Path Plan to Joseph Chen, the chairman and the chief executive of the Company as compensation and Grant Moon, a director of the Company, for their service. The weighted average grant-date fair value of the options granted during the period presented was $14.77 per option. 25% of these options will vest on the yearly anniversary of the vesting commencement date for a total of four years, subject to the option holder’s continuous service as of each such date.

The Company recorded share-based compensation expense for Lofty and Trucker Path for the three and six months ended June 30, 2023 and 2024 as follows, based on the fair value on the grant dates over the requisite service period of award using the straight-line method (in thousands).

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Lofty	$ 42	$ 47	$ 86	$ 93
Trucker Path	$ 74	$ 64	$ 151	$ 135

As of June 30, 2024 there were $352 and $402 unrecognized share-based compensation expense relating to share options of Lofty and Trucker Path, respectively. This amount is expected to be recognized over a weighted-average vesting period of 1.86 and 1.53 years for Lofty and Trucker Path, respectively.

The following table summarizes information with respect to share options outstanding of Lofty as of June 30, 2024:

	Options outstanding				Options exercisable			
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
$ 6.00 and 73.35	46,748	9.02	$ 30.79	$ 19.43	31,562	6.81	$ 23.71	$ 28.61
	46,748			$ 19.43	31,562			$ 28.61

	Number of shares	Weighted average exercise price	Weighted average grant date fair value
Balance, December 31, 2023	47,673	$ 28.03	$ 14.41
Granted	7,800	$ 33.48	$ 25.20
Exercised	(7,150)	$ 6.00	$ 3.77
Forfeited	(1,575)	$ 73.35	$ 33.48
Balance, June 30, 2024	46,748	$ 30.79	$ 17.20
Exercisable, June 30, 2024	31,562	$ 23.71	
Expected to vest, June 30, 2024	15,186	$ 45.50	

The following table summarizes information with respect to share options outstanding of Trucker Path as of June 30, 2024:

	Options outstanding				Options exercisable			
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value	Number of exercisable	Weighted average remaining contractual life	Weighted average exercise price	Weighted average intrinsic value
$ 4.00 and 133.00	46,915	8.96	57.66	$ 22.93	32,930	6.83	42.74	$ 32.46
	46,915			$ 22.93	32,930			$ 32.46

	Number of shares	Weighted average exercise price	Weighted average grant date fair value
Balance, December 31, 2023	48,649	$ 46.01	$ 22.81
Granted	7,800	$ 64.70	$ 14.77
Exercised	(9,534)	$ 4.00	$ 2.00
Balance, June 30, 2024	46,915	$ 57.66	$ 22.81
Exercisable, June 30, 2024	32,930	$ 42.74	
Expected to vest, June 30, 2024	13,985	$ 92.36	

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

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Selling and marketing	$ 36	$ 41	80	$ 82
Research and development	132	206	289	412
General and administrative	545	406	1,109	831
Total share-based compensation expense	**$ 713**	**$ 653**	**1,478**	**1,325**

There was no income tax benefit recognized in the statements of operations for share-based compensation for the three and six months ended June 30, 2023 and 2024.

7. RELATED PARTY BALANCES AND TRANSACTIONS

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

	Name	Relationship
(a)	Kaixin Automobile Holdings ("Kaixin")	Equity investment of the Company (Note 3)
(b)	Infinities Technology (Cayman) Holding Limited ("Infinities")	Equity investment of the Company
(c)	Oak Pacific Investment ("OPI") and its subsidiaries	An entity (and its subsidiaries) controlled together by chief executive officer and one of our board members.

Amounts due from related parties

As of December 31, 2023 and June 30, 2024 amounts due from related parties were as follows (in thousands):

	Note	As of December 31, 2023	As of June 30, 2024
Gross amount due from Kaixin	(i)	3,690	3,628
Less: bad debt provision		(3,690)	(3,628)
Net amount due from Kaixin		—	—
Infinities	(ii)	671	652
OPI and its subsidiaries		13	13
Total		**$ 684**	**$ 665**

(i) The balances mainly represented the advances made to Kaixin for daily operational purposes. The Company provided full bad debt provision for the year ended December 31, 2021, as the Company concluded the likelihood of the balance being recovered is remote.

(ii) The balance represents the receivable due from Infinities in connection with the disposition of the SNS business. In November 2018, the Company's Board of Directors approved a proposal for the sale of its SNS Business to Beijing Infinities for a combined consideration of $20,000 in cash and $40,000 in the form of Beijing Infinities shares to be issued to the Company. The Company collected $6,866 in 2019, however, by December 31, 2019, Beijing Infinities failed to make payments under the agreed extended repayment plan. Based on assessment of the collectability, the Company provided an allowance of $12,408 for the receivable. Additionally, the shares receivable in the form of Infinites Technology (Cayman) Holding Limited, which is the holding company of Beijing Infinities, were received as of December 31, 2020 and were recorded as long-term investments in the consolidated balance sheets as of December 31, 2020.

Amounts due to related parties

As of December 31, 2023 and June 30, 2024 amounts due to related parties were as follows (in thousands):

	As of December 31, 2023	As of June 30, 2024
Infinities	$ 643	$ 609
OPI and its subsidiaries	12	—
Total	**$ 655**	**$ 609**

8. SEGMENT INFORMATION and GEOGRAPHIC INFORMATION

The disaggregated revenues by subscription, advertising, and other services for the three and six months ended June 30, 2023 and 2024 were as follows (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2024	2023	2024
Lofty				
Subscription services	$ 6,779	$ 8,045	$ 13,204	$ 15,559
Advertising services	374	375	775	734
Other SaaS revenue	60	71	60	147
	$ 7,213	**$ 8,491**	**$ 14,039**	**$ 16,440**
Trucker Path				
Subscription services	$ 5,155	$ 6,234	$ 10,041	$ 11,872
Advertising services	435	476	831	881
Other SaaS revenue	48	48	20	38
	$ 5,638	**$ 6,758**	**$ 10,892**	**$ 12,791**
Other Operations				
Other services	$ 17	$ 40	$ 86	$ 81
Total Revenue	**$ 12,868**	**$ 15,289**	**$ 25,017**	**$ 29,312**

The Company is engaged in providing SaaS platforms to customers primarily located in the United States. The Company's operations are conducted in two reportable segments: Lofty and Trucker Path. The Company defines its segments as those operations whose results the chief operating decision maker regularly reviews to analyze performance and allocate resources. The Company sells similar platform services in each of its segments.

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

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

	Lofty	Trucker Path	Other Operations	Consolidated
Three months ended June 30, 2024				
Revenue	$ 8,491	$ 6,758	$ 40	$ 15,289
Cost of sales	1,382	2,082	36	3,500
Gross Margin	$ 7,109	$ 4,676	$ 4	$ 11,789
Three months ended June 30, 2023				
Revenue	$ 7,213	$ 5,638	$ 17	$ 12,868
Cost of sales	1,025	1,581	15	2,621
Gross Margin	$ 6,188	$ 4,057	$ 2	$ 10,247
Six months ended June 30, 2024				
Revenue	$ 16,440	$ 12,791	$ 81	$ 29,312
Cost of sales	2,769	3,975	72	6,816
Gross Margin	$ 13,671	$ 8,816	$ 9	$ 22,496
Six months ended June 30, 2023				
Revenue	$ 14,039	$ 10,892	$ 86	$ 25,017
Cost of sales	2,036	3,225	83	5,344
Gross Margin	$ 12,003	$ 7,667	$ 3	$ 19,673

The majority of the Company's revenue for the three and six months ended June 30, 2023 and 2024 were generated from the United States.

As of December 31, 2023 and June 30, 2024, substantially all of the long-lived assets of the Company were located in the US. As of December 31, 2023, the long-lived assets of $682, $257 and $6,844 of the Company were located in the PRC, Philippines and United States, respectively. As of June 30, 2024, the long-lived assets in the carrying value of $478, $237 and $6,534 of the Company were located in the PRC, Philippines and United States, respectively.

9. STATUTORY RESERVE AND RESTRICTED NET ASSETS

In accordance with the Regulations on Enterprises with Foreign Investment in China and their articles of association, the Company's subsidiaries and VIE entities located in the PRC, being foreign invested enterprises established in the PRC, are required to provide for certain statutory reserves. These statutory reserve funds include one or more of the following: (i) a general reserve, (ii) an enterprise expansion fund or discretionary reserve fund, and (iii) a staff bonus and welfare fund. Subject to certain cumulative limits, the general reserve fund requires a minimum annual appropriation of 10% of after-tax profit (as determined under accounting principles generally accepted in China at each year-end); the other fund appropriations are at the subsidiaries' or the affiliated PRC entities' discretion. These statutory reserve funds can only be used for specific purposes of enterprise expansion, staff bonus and welfare, and are not distributable as cash dividends except in the event of liquidation of the Company's subsidiaries, the Company's affiliated PRC entities and their respective subsidiaries. The Company's subsidiaries and VIE entities are required to allocate at least 10% of their after-tax profits to the general reserve until such reserve has reached 50% of their respective registered capital.

Appropriations to the enterprise expansion reserve and the staff welfare and bonus reserve are to be made at the discretion of the board of directors of each of the Company's subsidiaries. The appropriation to these reserves by the Company's PRC subsidiaries was nil for the three and six months ended June 30, 2023 and 2024, respectively.

As a result of these PRC laws and regulations and the requirement that distributions by PRC entities can only be paid out of distributable profits computed in accordance with PRC GAAP, the PRC entities are restricted from transferring a portion of their net assets to the Company. Amounts restricted include paid-in capital and the statutory reserves of the Company's PRC subsidiaries and VIE entities. The aggregate amount of capital and statutory reserves restricted which represented the amount of net assets of the relevant subsidiaries and VIE entities in the Company not available for distribution was $8,496 as of June 30, 2024.

10. INCOME TAXES

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

11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 14, 2024, the date of issuance of the condensed consolidated financial statements, and noted that there are no other subsequent events.

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

Please read the following discussion and analysis of our financial condition and results of operations together with "Note About Forward-Looking Statements" and our consolidated financial statements and related notes included under Item 1 of this Quarterly Report on Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, including Part I, Item 1A "Risk Factors."

Operating Results

Overview

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

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

Total revenues increased from $12.9 million for the three months ended June 30, 2023 to $15.3 million for the same period in 2024, and net loss for the three months ended June 30, 2023 was $8.8 million and $0.2 million for the same period in 2024. For the six months ended June 30, 2023, our total revenues increased from $25.0 million to $29.3 million in the same period in 2024, and net loss for the six months ended June 30, 2023 was $3.4 million and $3.0 million for the same period in 2024. Net loss for the three months ended June 30, 2024 was driven primarily by loss from operations of $0.5 million and a loss from the change in fair value of long-term investments of $0.1 million, offset by interest income of $0.4 million.

Loss from operations improved from $2.8 million to $0.5 million for the three months ended June 30, 2023 and 2024, respectively, and $6.3 million to $1.6 million for the six months ended June 30, 2023 and 2024, respectively.

Financial Overview

Revenue

We derive substantially all of our revenues from SaaS subscription services, advertising services, and other related services. We recognize our revenues over the life of the SaaS subscriptions and net of business taxes or value added tax, as applicable. Timing of revenue recognition may differ from the timing of invoicing to customers. Deferred revenue mainly consists of payments received from customers related to unsatisfied performance obligations for SaaS subscription services and advertising services. Our total deferred revenue was $4.3 million and $4.6 million as of December 31, 2023 and June 30, 2024, respectively, most of which is expected to be recognized as revenue within one year.

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

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Lofty				
Subscription services	$ 6,779	$ 8,045	$ 13,204	$ 15,559
Advertising services	374	375	775	734
Other SaaS revenue	60	71	60	147
	$ 7,213	**$ 8,491**	**$ 14,039**	**$ 16,440**
Trucker Path				
Subscription services	$ 5,155	$ 6,234	$ 10,041	$ 11,872
Advertising services	435	476	831	881
Other SaaS revenue	48	48	20	38
	$ 5,638	**$ 6,758**	**$ 10,892**	**$ 12,791**
Other Operations				
Other services	$ 17	$ 40	$ 86	$ 81
Total Revenue	**$ 12,868**	**$ 15,289**	**$ 25,017**	**$ 29,312**

SaaS Revenue

Our subscription revenues are derived primarily from platform services provided by Lofty and Trucker Path. Our revenues from advertising services are derived primarily from lead generation and print advertising services provided by Lofty and point-of-interest and banner advertising services provided by Trucker Path. Other SaaS revenue consists primarily of dispatching and fuel program revenue from the Trucker Path segment and property management services from the Lofty segment.

Other Services

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

Cost of Revenues

Cost of revenues consists primarily of App and Play Store fees, cloud hosting services, merchant fees, and print services. The cost of revenues was $2.6 million and $3.5 million for the three months ended June 30, 2023 and 2024, respectively; and $5.3 million and $6.8 million for the six months ended June 30, 2023 and 2024, respectively.

Operating Expenses

Our operating expenses consist primarily of selling and marketing expenses, research and development expenses, and general and administrative expenses. The following table sets forth our operating expenses for continuing operations, both as dollar amounts and as percentages of our total revenues, for the periods indicated (in thousands).

	For the three months ended June 30,				For the six months ended June 30,			
	2023		2024		2023		2024	
	(Unaudited, in thousands of US$, except for percentages)							
	US$	%	US$	%	US$	%	US$	%
Operating expenses:								
Selling and marketing	$ 4,639	36.1 %	$ 4,576	29.9 %	$ 9,535	38.1 %	$ 8,363	28.5 %
Research and development	4,911	38.2 %	4,555	29.8 %	9,813	39.2 %	9,013	30.7 %
General and administrative	3,528	27.4 %	3,136	20.5 %	6,575	26.3 %	6,534	22.3 %
Impairment of intangible assets	—	—	—	—	—	—	207	0.7 %
Total operating expenses	$ 13,078	101.7 %	$ 12,267	80.2 %	$ 25,923	103.6 %	$ 24,117	82.2 %

Our selling and marketing expenses, research and development expenses, and general and administrative expenses include share-based compensation expenses of $0.7 million and $0.7 million for the three months ended June 30, 2023 and 2024, respectively; and $1.5 million and $1.3 million for the six months ended June 30, 2023 and 2024, respectively.

Selling and Marketing Expenses

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

Research and Development Expenses

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

General and Administrative Expenses

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

Results of Operations

Comparison of the Three and Six months ended June 30, 2024 and 2023

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

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024
	(Unaudited, in thousands of US$)			
Revenues	$ 12,868	$ 15,289	$ 25,017	$ 29,312
Cost of revenues	2,621	3,500	5,344	6,816
Operating expenses	13,078	12,267	25,923	24,117
Loss from operations	(2,831)	(478)	(6,250)	(1,621)
Total other (expenses) income, net	(6,100)	224	2,509	(868)
Loss before income taxes	(8,931)	(254)	(3,741)	(2,489)
Income tax expenses	—	(121)	—	(236)
Impairment on and income (loss) in equity method investments, net of tax	170	193	314	(298)
Net loss	$ (8,761)	$ (182)	$ (3,427)	$ (3,023)

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

Three Months Ended June 30, 2024 Compared with Three Months Ended June 30, 2023

Revenues

Our revenues increased by 18.8% from $12.9 million for the three months ended June 30, 2023 to $15.3 million for the same period in 2024. This increase was primarily due to the increase in revenue from our SaaS businesses.

- *Subscription Services*. Our revenue from subscription services increased by 19.6% from $11.9 million for the three months ended June 30, 2023 to $14.3 million for the same period in 2024. The increase was primarily due to the expansion of our SaaS businesses. The Company's paying subscriptions as of June 30, 2024 for Lofty and Trucker Path increased to 4,100 and 111,600, by 10.8% and 14.9%, compared to June 30, 2023 paying subscriptions of 3,700 and 97,100, respectively. Purchased seats for Lofty, defined as eligible users on a paid subscription, increased to 78,500 as of June 30, 2024 from 42,500 as of June 30, 2023, an increase of 84.7%.

- *Advertising Services.* Our revenue from advertising services increased by 5.2% from $0.8 million for the three months ended June 30, 2023 to $0.9 million for the same period in 2024.

Cost of revenues

Our cost of revenues increased by 33.5% from $2.6 million for the three months ended June 30, 2023 to $3.5 million for the same period in 2024. This increase was primarily due to the increase of software expenses directly related to the generation of revenue and cloud hosting services to provide a better user experience and grow our SaaS businesses.

Gross Margins

Our gross margin decreased 2.5% from 79.6% for the three months ended June 30, 2023 to 77.1%. The decrease was primarily due to increase in cost of service features provided within our real estate and trucking SaaS platforms.

Operating expenses

Our operating expenses decreased by 6.2% from $13.1 million for the three months ended June 30, 2023 to $12.3 million for the same period in 2024, primarily due cost reduction initiatives.

- *Selling and marketing expenses.* Our selling and marketing expenses were $4.6 million and $4.6 million for the three months ended June 30, 2024 and 2023, respectively.

- *Research and development expenses.* Our research and development expenses decreased by 7.2% from $4.9 million for the three months ended June 30, 2023 to $4.6 million for the same period in 2024. This decrease was primarily due to a decrease in our research and development headcount and partially offset by increased service fees paid to outside contractors.

- *General and administrative expenses.* Our general and administrative expenses decreased by 11.1% from $3.5 million for the three months ended June 30, 2023 to $3.1 million for the same period in 2024. The decrease was primarily due to a decrease of legal fees related to arbitration case offset by provision on insurance reimbursement receivable upon the result of arbitration.

Loss from fair value change of a long-term investment

Loss from fair value change of a long-term investment was $0.1 million for the three months ended June 30, 2024, compared with $7.8 million for the same period in 2023. The loss from fair value change of a long-term investment represents the unrealized loss from reduction in quoted market price of ordinary shares of Kaixin, which is accounted for as an equity investment with readily determinable fair value.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Revenues

Our revenues increased by 17.2% from $25.0 million for the six months ended June 30, 2023 to $29.3 million for the same period in 2024. This increase was primarily due to the increase in revenue from our SaaS businesses.

- *Subscription Services*. Our revenue from subscription services increased by 18.0% from $23.2 million for the six months ended June 30, 2023 to $27.4 million for the same period in 2024. The increase was primarily due to the expansion of our SaaS businesses. The Company's paying subscriptions as of June 30, 2024 for Lofty and Trucker Path increased to 4,100 and 111,600, by 10.8% and 14.9%, compared to June 30, 2023 paying subscriptions of 3,700 and 97,100, respectively. Purchased seats for Lofty, defined as eligible users on a paid subscription, increased to 78,500 as of June 30, 2024 from 42,500 as of June 30, 2023, an increase of 84.7%.

- *Advertising Services.* Our revenue from advertising services were 1.6 million and 1.6 million for the six months ended June 30, 2023 and 2024, respectively.

Cost of revenues

Our cost of revenues increased by 27.5% from $5.3 million for the six months ended June 30, 2023 to $6.8 million for the same period in 2024. This increase was primarily due to the increase of software expenses directly related to the generation of revenue and cloud hosting services to provide a better user experience and grow our SaaS businesses.

Gross Margins

Our gross margin decreased by 1.9% from 78.6% for the six months ended June 30, 2023 to 76.7% for the same period in 2024. The decrease was primarily due to increase in cost of service features provided within our real estate and trucking SaaS platforms.

Operating expenses

Our operating expenses decreased by 7.0% from $25.9 million for the six months ended June 30, 2023 to $24.1 million for the same period in 2024, primarily due to cost reduction initiatives.

- *Selling and marketing expenses.* Our selling and marketing expenses decreased by 12.3% from $9.5 million for the six months ended June 30, 2023 to $8.4 million for the same period in 2024. This decrease was primarily due to lower compensation expense due to decreased headcount.

- *Research and development expenses.* Our research and development expenses decreased by 8.2% from $9.8 million for the six months ended June 30, 2023 to $9.0 million for the same period in 2024. This decrease was primarily due to a decrease in our research and development headcount for new projects, and partially offset by service fees paid to outside contractors.

- *General and administrative expenses.* Our general and administrative expenses decreased by 0.6% from $6.6 million for the six months ended June 30, 2023 to $6.5 million for the same period in 2024. The decrease was primarily due to lower compensation expense due to decreased headcount and stock-based compensation offset by provision on insurance reimbursement receivable upon the result of arbitration.

- *Impairment of intangible asset.* Our impairment of intangible asset increased from nil for the six months ended June 30, 2023 to $0.2 million for the same period in 2024. The impairment loss in 2024 was due to impairment of the technology platform of LoftyWorks.

Gain (Loss) from fair value change of a long-term investment

Loss from fair value change of a long-term investment was $1.6 million for the six months ended June 30, 2024, compared with gain from fair value change of a long-term investment of $0.5 million for the same period in 2023. The gain (loss) from fair value change of a long-term investment represents the unrealized gain (loss) from reduction in quoted market price of ordinary shares of Kaixin, which is accounted for as an equity investment with readily determinable fair value.

Segment Operations

The Company operates in two reportable segments: Lofty and Trucker Path. The Company defines its segments as those operations whose results the chief operating decision maker regularly reviews to analyze performance and allocate resources.

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

The Company measures the results of its segments using revenue and cost of revenues. Information for the Company's segments, as well as other operations, is provided in the following table (in thousands):

	Lofty	Trucker Path	Other Operations	Consolidated
Three months ended June 30, 2024				
Revenue	$ 8,491	$ 6,758	$ 40	$ 15,289
Cost of sales	1,382	2,082	36	3,500
Gross Margin	$ 7,109	$ 4,676	$ 4	$ 11,789
Three months ended June 30, 2023				
Revenue	$ 7,213	$ 5,638	$ 17	$ 12,868
Cost of sales	1,025	1,581	15	2,621
Gross Margin	$ 6,188	$ 4,057	$ 2	$ 10,247
Six months ended June 30, 2024				
Revenue	$ 16,440	$ 12,791	$ 81	$ 29,312
Cost of sales	2,769	3,975	72	6,816
Gross Margin	$ 13,671	$ 8,816	$ 9	$ 22,496
Six months ended June 30, 2023				
Revenue	$ 14,039	$ 10,892	$ 86	$ 25,017
Cost of sales	2,036	3,225	83	5,344
Gross Margin	$ 12,003	$ 7,667	$ 3	$ 19,673

Liquidity and Capital Resources

The accompanying condensed consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. As of December 31, 2023 and June 30, 2024, we had net current assets (current assets less current liabilities) of $24.7 million and $26.2 million, respectively. For the three months ended June 30, 2023 and 2024, we incurred loss from operations amounting to $2.8 million and $0.5 million; for the six months ended June 30, 2023 and 2024, we incurred loss from operations amounting to $6.3 million and $1.6 million, and negative cash flows from operating activities of $5.1 million and $0.3 million, respectively.

Our ability to continue as a going concern is dependent on our ability to generate cash flows from operations, and to make adequate financing arrangements. We had cash and cash equivalents of $34.1 million, excluding restricted cash of $5.2 million as of June 30, 2024. The cash reserve is expected to meet our operating needs for at least the next twelve months from the date of this Quarterly Report on Form 10-Q. However, if negative cash flow from operating activities persists in the long run, our cash resources may become insufficient to satisfy on-going cash requirements. Cash is held at multiple financial institutions. We have diversified our deposits with various banks to reduce our potential exposure to bank failures, such as Silicon Valley Bank's failure in March 2023.

Cash Flows and Working Capital

The following table sets forth a summary of cash flows for the periods indicated (in thousands):

	For the six months ended June 30,	
	2023	2024
Net cash used in operating activities	(5,142)	(289)
Net cash provided by (used in) investing activities	3,921	(136)
Net cash (used in) provided by financing activities	(6,419)	858
Net (decrease) increase in cash and cash equivalents and restricted cash	(7,640)	433
Cash and cash equivalents and restricted cash at the beginning of the period	27,960	38,969
Effect of exchange rate changes	479	(165)
Cash and cash equivalents and restricted cash at end of the period	20,799	39,237

Net cash used in operating activities was $0.3 million for the six months ended June 30, 2024, compared to $5.1 million for the same period in 2023. The principal adjustments to reconcile our net loss to our net cash used in operating activities were fair value change on long-term investment, share-based compensation expense and impairment on and (gain) loss in equity method investments. The principal change in operating assets and liabilities accounting for the difference between our net loss and our net cash used in operating activities for the six months ended June 30, 2024 was an increase in accounts receivable of $0.6 million and a decrease in accrued expenses and other current liabilities of $0.5 million, and partially offset by an increase in deferred revenue of $0.2 million.

Net cash used in investing activities was $0.1 million for the six months ended June 30, 2024, compared to net cash provided by investing activities was $3.9 million for the same period in 2023. Net cash used in investing activities for the six months ended June 30, 2024 was due to $0.1 million for the purchase of computers. Net cash provided by investing activities for the six months ended June 30, 2023 was primarily due to $4.9 million from redemption of short-term investment, offset by $0.9 million for the refurbishment construction, purchase equipment, and property on the headquarters office.

Net cash provided by financing activities was $0.9 million for the six months ended June 30, 2024, compared to net cash used in financing activities was $6.4 million for the same period in 2023. Net cash provided by financing activities for the six months ended June 30, 2024 was primarily due to proceeds of $1.0 million from exercise of share options, partly offset by the repurchase of $0.2 million ordinary shares. Net cash used by financing activities for the six months ended June 30, 2023 was primarily due to the repurchase of $9.1 million ordinary shares, partly offset by settlement of the shareholder derivative lawsuit for which we received a one-time dividend of $2.6 million for shares held in 2023.

Contractual Obligations

The following table sets forth our contractual obligations including interest payment, if applicable, as of June 30, 2024 (in thousands):

	Payment Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Operating lease obligations (1)	435	247	188	—	—

Notes:

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

Capital Expenditures

We made capital expenditures of $1.0 million and $0.1 million for the six months ended June 30, 2023 and 2024, respectively. Our capital expenditures for the six months ended June 30, 2023 were primarily used to for the refurbishment construction on the headquarters office. Capital expenditures for the six months ended June 30, 2024 were primarily used to for the purchase of the computers.

Research and Development, Patents, and Licenses, etc.

Research and Development

Our research and development efforts focus on developing and improving the scalability, features and functions of our SaaS services, including the compilation and use of data to increase automation of our services and enhance the customer experience. We have a large team of around 290 engineers and developers as of June 30, 2024, accounting for approximately 58% of our employees as of that date. Most of our engineers and developers are based at our subsidiary offices in China.

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

Our research and development expenses primarily include salaries and benefits for our research and development personnel. We incurred US$9.8 million and US$9.0 million of research and development expenses for the six months ended June 30, 2023 and 2024, respectively.

Intellectual Property

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

We have been granted 1 patent. In addition, we maintain 32 copyright registrations, all of which are computer software copyright registrations as of June 30, 2024. Our employees sign confidentiality and non-compete agreements when hired.

Trend Information

Other than as disclosed elsewhere in this Quarterly Report on Form 10-Q, we are not aware of any trends, uncertainties, demands, commitments or events for the six months ended June 30, 2024 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes to our Critical Accounting Policies and Estimates disclosed therein.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of June 30, 2024, our disclosure controls and procedures were not effective, due to the two material weaknesses in our internal control over financial reporting as described below.

Material Weaknesses in Internal Control over Financial Reporting

During the year ended December 31, 2022, our management identified two material weaknesses in our internal control over financial reporting, which remain unremediated as of June 30, 2024, as follows:

- Lack of an integrated and systematic risk assessment and reporting process to identify and assess the financial reporting risks and to ensure significant transactions including investments and non-routine transactions including share-based transactions are accurately recorded and properly disclosed; and

- Lack of evaluations to ascertain whether the components of internal control are present and functioning.

Management's Remediation Plans and Actions

To remediate the material weaknesses described above in "Material Weaknesses in Internal Control over Financial Reporting," we are implementing the plan and measures described below. We will continue to evaluate and, may in the future, implement additional measures.

- We have recruited personnel with the requisite knowledge in accounting and disclosure requirements for complex transactions under U.S. GAAP and statutory compliance. Where needed, we have engaged external parties with the expertise to evaluate and advise the company on complex or evolving areas such as public company filings, taxation, and valuation services.

- We have designed a control environment which allows management to monitor the effectiveness of internal controls over financial reporting and address gaps identified within the environment.

- We have implemented a consolidated general ledger within a single enterprise resource planning application for all legal entities, which includes consolidation and statutory reporting capabilities.

- We will design and implement evaluation policies and procedures to ascertain internal control components are present and functioning.

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

Changes in Internal Control over Financial Reporting

Other than as described above, there were no other changes in our internal control over financial reporting during the six months ended June 30, 2024 that have materially affected or are reasonable likely to materially affect our internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become party to litigation or other legal proceedings that we consider to be part of the ordinary course of business. The Company has been involved in arbitration proceedings which concerns a claim by the Company and Joseph Chen ("Mr. Chen") against Zurich General Insurance Company (China) Limited ("Zurich") for reimbursing (i) the Company for its costs indemnifying Mr. Chen and Mr. David K. Chao for their costs in defending a derivative litigation brought in the Supreme Court of the State of New York (Index No. 653594/2018) by Heng Ren Silk Road Investments LLC, Oasis Investments II Master Fund Limited and Jodi Arama (the "New York Court Action") and (ii) Mr. Chen for his payment contribution towards settling the New York Court Action, in the total sum of US$5,000,000 being the policy limit under the Directors and Officers Liability Excess Insurance Policy entered into between the Company and Zurich on 19 October 2017. On July 22, 2024, the arbitral tribunal issued the final award and dismissed our claims in these proceedings.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which could materially affect our business, financial condition or future results. There have been no material changes to the risk factors disclosed in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

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

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

The following table presents information with respect to the Company's repurchases of ADSs (each representing 45 of our Class A ordinary shares) during the quarter ended June 30, 2024:

	Total Number of ADSs Purchased	Average Price Paid Per ADS	Approximate Dollar Value of ADSs That Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of ADSs That May Yet Be Purchased Under the Programs
Periods				
April 2024:				
Open market purchases	36,131	$ 0.52	$ 19	$ 3,233
May 2024:				
Open market purchases	17,302	$ 0.75	$ 13	$ 3,220
June 2024:				
Open market purchases	—	$ —	$ —	$ 3,220
Total	**53,433**		**$ 32**	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the six months ended June 30, 2024, none of our company's officers or directors adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1	Amended and Restated Memorandum and Articles of Association of the Registrant	10-Q	001-35147	3.1	8/14/2023	
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q					*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)					

* Filed herewith.

** Furnished herewith and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, the Exchange Act, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Moatable, Inc.

Dated: August 14, 2024

By: /s/ Joseph Chen
Joseph Chen
Chairman and Chief Executive Officer (Principal Executive Officer)

Dated: August 14, 2024

By: /s/ Scott Stone
Scott Stone
Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Joseph Chen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Moatable, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

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

Exhibit 31.2

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

I, Scott Stone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Moatable, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

/s/ Scott Stone
Scott Stone
Chief Financial Officer
(Principal Financial Officer)

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

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

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

/s/ Joseph Chen	/s/ Scott Stone
Joseph Chen	Scott Stone
Chief Executive Officer	Chief Financial Officer

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