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# UP FINTECH HOLDING LTD

## FORM 20-F

(Annual and Transition Report (foreign private issuer))

Filed 04/23/25 for the Period Ending 12/31/24

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Table of Contents

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

**FORM 20-F**

**(Mark One)**

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2024**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-38833

# UP FINTECH HOLDING LIMITED

(Exact name of Registrant as specified in its charter)

**Cayman Islands**

(Jurisdiction of incorporation or organization)

**1 Raffles Place, #35-61 One Raffles Place**
**Singapore (048616)**

(Address of principal executive offices)

**John Fei Zeng, Chief Financial Officer**
**1/F, 308 Des Voeux Road Central**
**Sheung Wan, Hong Kong**
**Telephone: +852-27602579**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

| Title of each class: | Trading Symbol(s) | Name of each exchange on which registered: |
|---|---|---|
| Class A Ordinary Shares, par value US$0.00001 per share | TIGR | Nasdaq Global Select Market |
| American Depositary Shares | TIGR | Nasdaq Global Select Market |

Securities registered or to be registered pursuant to Section 12(g) of the Act: None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

2,705,826,751 Class A ordinary shares were outstanding as of December 31, 2024
97,611,722 Class B ordinary shares were outstanding as of December 31, 2024

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐No

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

Table of Contents

☐ Yes ☒ No

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

☒ Yes ☐ No

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

☒ Yes ☐ No

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Emerging growth company | ☐ |

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

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

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

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

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

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

| | | |
|---|---|---|
| U.S. GAAP ☒ | International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ | Other ☐ |

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

☐ Item 17 or ☐ Item 18

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

☐ Yes ☒ No

Table of Contents

TABLE OF CONTENTS


| | | Page |
|---|---|---|
| | Presentation of Financial and Certain Other Information | 3 |
| | CONVENTIONS THAT APPLY TO THIS REPORT | 4 |
| | Forward-Looking Statements | 9 |
| PART I | | |
| Item 1. | Identity of Directors, Senior Management and Advisers | 11 |
| Item 2. | Offer Statistics and Expected Timetable | 11 |
| Item 3. | Key Information | 11 |
| Item 4. | Information on the Company | 81 |
| Item 5. | Operating and Financial Review and Prospects | 111 |
| Item 6. | Directors, Senior Management and Employees | 126 |
| Item 7. | Major Shareholders and Related Party Transactions | 134 |
| Item 8. | Financial Information | 135 |
| Item 9. | The Offer and Listing | 135 |
| Item 10. | Additional Information | 136 |
| Item 11. | Quantitative and Qualitative Disclosures About Market Risk | 143 |
| Item 12. | Description of Securities Other than Equity Securities | 144 |
| Part II | | |
| Item 13. | Defaults, Dividend Arrearages and Delinquencies | 147 |
| Item 14. | Material Modifications to the Rights of Security Holders and Use of Proceeds | 147 |
| Item 15. | Controls and Procedures | 147 |
| Item 16A. | Audit Committee Financial Expert | 147 |
| Item 16B. | Code of Ethics | 148 |
| Item 16C. | Principal Accountant Fees and Services | 148 |
| Item 16D. | Exemptions from the Listing Standards for Audit Committees | 148 |
| Item 16E. | Purchases of Equity Securities by the Issuer and Affiliated Purchasers | 149 |
| Item 16F. | Change in Registrant's Certifying Accountant | 149 |
| Item 16G. | Corporate Governance | 149 |
| Item 16H. | Mine Safety Disclosure | 149 |
| Item 16I. | Disclosure Regarding Foreign Jurisdictions that Prevent Inspections | 149 |
| Item 16J. | Insider Trading Policies | 150 |
| Item 16K. | Cybersecurity | 150 |
| Part III | | 151 |
| Item 18. | Financial Statements | 151 |
| Item 19. | Exhibits | 151 |
| | Index to Consolidated Financial Statements for the Years Ended December 31, 2022, 2023 and 2024 | F-1 |

## PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

UP Fintech Holding Limited, together with its consolidated subsidiaries (collectively, the "Company" or the "Group"), is a leading integrated financial technology platform providing cross-market, multi-product investment experience for investors around the world. In this annual report on Form 20-F, unless otherwise specified or the context otherwise indicates, all references to "UP Fintech Holding Limited" and the "Company" refer to the business and operations of the Company and its consolidated subsidiaries.

This annual report on Form 20-F includes the consolidated financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 (the "Consolidated Financial Statements") prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") as issued by the Financial Accounting Standards Board.

The financial statements are presented in U.S. dollars. All references to "U.S. dollars," "US$," "U.S. $" and "$" refer to the currency of the United States of America.

The language of this annual report on Form 20-F is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

## CONVENTIONS THAT APPLY TO THIS REPORT

Except where the context otherwise requires and for the purposes of this Annual Report on Form 20-F only, the following is a glossary of certain terms used throughout this report:

- "China" or the "PRC" means the People's Republic of China, excluding, for the purposes of this report only, Hong Kong, Macau and Taiwan.
- "Chinese investors" refer to the Chinese speaking population around the globe.
- "conversion rate" means the ratio of (i) the number of trading customers to (ii) the number of customer accounts.
- "customer(s)" or "customer account(s)" means the registered users who have passed the Know-Your- Client ("KYC") procedures and opened a trading account on our platform (including APP and website).
- "customer(s) with deposits" means the customers who have deposited funds in their accounts on our platform.
- "HK$" or "Hong Kong dollars" means the legal currency of Hong Kong.
- "NZ$" or "New Zealand dollars" means the legal currency of New Zealand.
- "our WFOEs" means Beijing Bohu Xiangshang Technology Co., Ltd., or Beijing Bohu, formerly known as Ningxia Xiangshang Yixin Technology Co., Ltd or Ningxia Yixin and Beijing Xiangshang Yixin Technology Co., Ltd., or Beijing Yixin; "WFOE" or "WFOEs" means the wholly-foreign owned entity or wholly-foreign owned entities as provided in the relevant PRC laws and regulations.
- "the VIEs" means Beijing Xiangshang Rongke Technology Development Co., LTD, or Beijing Rongke, formerly known as Ningxia Xiangshang Rongke Technology Development Co., LTD or Ningxia Rongke, and Beijing Xiangshang Yiyi Laohu Technology Group Co., LTD, or Beijing Yiyi; "VIE" or "VIEs" means a variable interest entity or variable interest entities.
- "retention rate" means the ratio of (i) the number of trading customers in one period who continue to trade in the next period to (ii) the number of trading customers in the first period.
- "RMB" or "Renminbi" means the legal currency of China.
- "Singapore dollars" means the legal currency of Singapore.
- "trading customer(s)" means the customers who have conducted at least one trading transaction on our platform.
- "trading volume" means the total value of securities traded during a specific period of time.
- "UP Fintech," "we," "us," "our" and "our company" means UP Fintech Holding Limited, our Cayman Islands holding company and its subsidiaries, its consolidated VIEs and the subsidiaries of the VIEs.
- "user(s)" or "registered user(s)" means those who have registered on our platform (including APP and website) but not necessarily have opened a trading account.

Unless otherwise noted, the translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this report were made at a rate of RMB7.2993 to US$1.0000, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2024 and the translations from Hong Kong dollars to U.S. dollars and

from U.S. dollars to Hong Kong dollars in this report were made at a rate of HK$7.7677 to US$1.00, the exchange rate in effect as of December 31, 2024. We make no representation that Renminbi or U.S. dollar amounts referred to in this report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

All discrepancies between the amounts identified as total amounts in Item 18. Financial statements and the amounts identified in any table as the sum of the amounts listed therein are due to rounding.

**Summary of Risk Factors**

An investment in our ADSs or Class A ordinary shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. The operational risks associated with being based in and having operations in the Chinese mainland also apply to operations in Hong Kong and Macau. While entities and businesses in Hong Kong and Macau operate under different sets of laws from the Chinese mainland, the legal risks associated with being based in and having operations in the Chinese mainland could apply to our operations in Hong Kong and Macau, if the laws applicable to the Chinese mainland become applicable to entities and businesses in Hong Kong and Macau in the future. These risks are discussed more fully in "Item 3.D. Key Information—Risk Factors."

**Risks Related to Our Chinese Operations and Operating Structure**


| Risk Factor | Page |
|---|---|
| Shareholders may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. courts may be limited, because we are registered under Cayman Islands law. | 14 |
| If the agreements that establish the structure for operating some of our activities in China do not comply with PRC regulations, if we fail to obtain all required permissions and approvals required by Chinese regulatory authorities, or if these regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. | 14 |
| Uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations. | 15 |
| We rely on contractual arrangements with the VIEs and their respective shareholders for a large portion of our business operations, which may not be as effective as equity ownership in providing operational control, and which we may not be able to enforce in a court of law. | 16 |
| Any failure by the VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business. | 17 |
| The shareholders of the VIEs may have potential conflicts of interest with us, which may materially and adversely affect our business. | 17 |
| Contractual arrangements in relation to the VIEs may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC VIEs owe additional taxes, which could negatively affect our financial condition and the value of your investment. | 18 |
| We may lose the ability to use and enjoy assets held by the VIEs that are material to the operation of certain portions of our business if the VIEs go bankrupt or become subject to a dissolution or liquidation proceeding. | 18 |
| The PRC government may regulate on transfer of cash to or from the holding company, the subsidiaries, the VIEs and investors. | 18 |
| If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected. | 19 |
| We may be subject to regulatory compliance costs and enforcement activity relating to Chinese privacy and data security laws. | 20 |

| | |
|---|---|
| We may be adversely affected by the complexity, uncertainties and changes in the PRC regulations of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations. | 21 |
| The audit report included in this annual report has been prepared by our independent registered public accounting firm, whose work the Public Company Accounting Oversight Board was previously unable to inspect and, as such, you have previously been deprived of the benefits of such inspection and may be deprived of such benefits in the future if the work of our independent registered public accounting firm is unable to be inspected again. | 22 |
| We may be subject to consequences pursuant to the Holding Foreign Companies Accountable Act and related regulations, including the potential for our ADSs to be prohibited from trading on U.S. securities exchanges, including The Nasdaq Stock Market, and in the U.S. over-the-counter market, which will limit the liquidity of our ADSs and our access to U.S. capital markets. | 23 |
| We are subject to numerous regulations in the PRC, and compliance with these regulations may result in costs, expenses, regulatory enforcement action, and reputational harm that may have a material adverse effect on our business and results of operations. | 24 |
| The legal system of the PRC is developing and rapidly evolving, and there are uncertainties that may affect the protection afforded to us. | 24 |
| The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs, and it has recently indicated an intent to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies. | 24 |
| PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using proceeds we received from our initial public offering and the Concurrent Private Placement to make loans or additional capital contributions to our PRC subsidiaries. | 25 |
| We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations. | 26 |
| You may be subject to PRC withholding tax on dividends from us and PRC income tax on any gain realized on the transfer of our shares or ADSs if we are deemed a PRC resident enterprise. | 27 |
| We may not be able to obtain certain tax benefits for dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiaries. | 27 |
| PRC regulations may restrict our ability to convert Renminbi into foreign currency and remit such currency out of the PRC to pay capital expenses. | 27 |

We are subject to additional risks as a result of doing business in China, as summarized immediately below and described in more detail below under the heading "Risks Related to Doing Business in China."

**Risks Related to Doing Business in China**


| Risk Factor | Page |
|---|---|
| Geopolitical and regulatory tensions between the U.S. and China, and on a larger scale internationally, may dampen growth in China and other markets where the majority of our customers reside, and our activities and results may be negatively impacted. | 68 |
| PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects. | 68 |
| We may be subject to penalties for failure to fully comply with the NDRC and the MOFCOM filing requirements for historical overseas investments. | 69 |
| The enforcement of the Labor Contract Law of the People's Republic of China, or the PRC Labor Contract Law, and other labor-related regulations in the PRC may increase our labor costs and impose limitations on our labor practices. | 69 |
| Failure to make adequate contributions to various employee benefit plans as required by the PRC regulations may subject us to penalties. | 70 |
| Any failure to comply with PRC regulations regarding the registration requirements for employee share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions. | 70 |
| We may be deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, or the EIT Law, and be subject to the PRC taxation on our worldwide income, which may significantly increase our income tax expenses and materially decrease our profitability. | 71 |
| We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies. | 71 |
| Our leased property interest may be defective and our right to lease the properties may be affected by such defects, which could cause significant disruption to our business. | 72 |
| If the settlement reached between the SEC and the Big Four PRC-based accounting firms (including the Chinese affiliates of our independent registered public accounting firms), concerning the manner in which the SEC may seek access to audit working papers from audits in China of U.S.-listed companies, is not or cannot be performed in a manner acceptable to authorities in China and the United States, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act. | 72 |

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "1933 Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements involve risks and uncertainties. All statements other than statements of current or historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

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

- our goals and strategies;
- our future business development, including the expansion of existing businesses and development of new businesses;
- our plans for international expansion of our business;
- our expectations and trends regarding our financial condition and results of operations;
- expected changes in our sources and volume of revenues;
- expected changes in our costs or expenditures, including those relating to regulatory compliance, personnel, development and sales of our products and services, arrangements with third parties, acquisitions, cost of funding, and litigation;
- our expectations regarding the demand for and market acceptance of our services;
- expected growth of our customers, including consolidated account customers;
- competition in our industry;
- our expectations regarding the impact of economic factors such as increased interest rates and inflation on our business, financial condition, and results of operations;
- government statutes, policies and regulations relating to our industry and our company, including the Holding Foreign Companies Accountable Act, and Chinese regulations impacting the variable interest entities in our corporate structure;
- whether we will be identified as a "Commission-Identified Issuer", as defined below, this year or in future years; and
- our relationships with third parties on whom portions of our business depend, including Interactive Brokers.

You should read this annual report and the documents referred to herein with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this report include additional factors which could adversely impact our business and financial performance, including those described under the heading "Risk Factors." Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all the risk factors and uncertainties, nor can

we assess the impact of all the factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

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

Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risks due to a variety of factors, including those described in Item 3.D “Risk Factors” and elsewhere in this annual report. You should not place undue reliance on these forward-looking statements.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

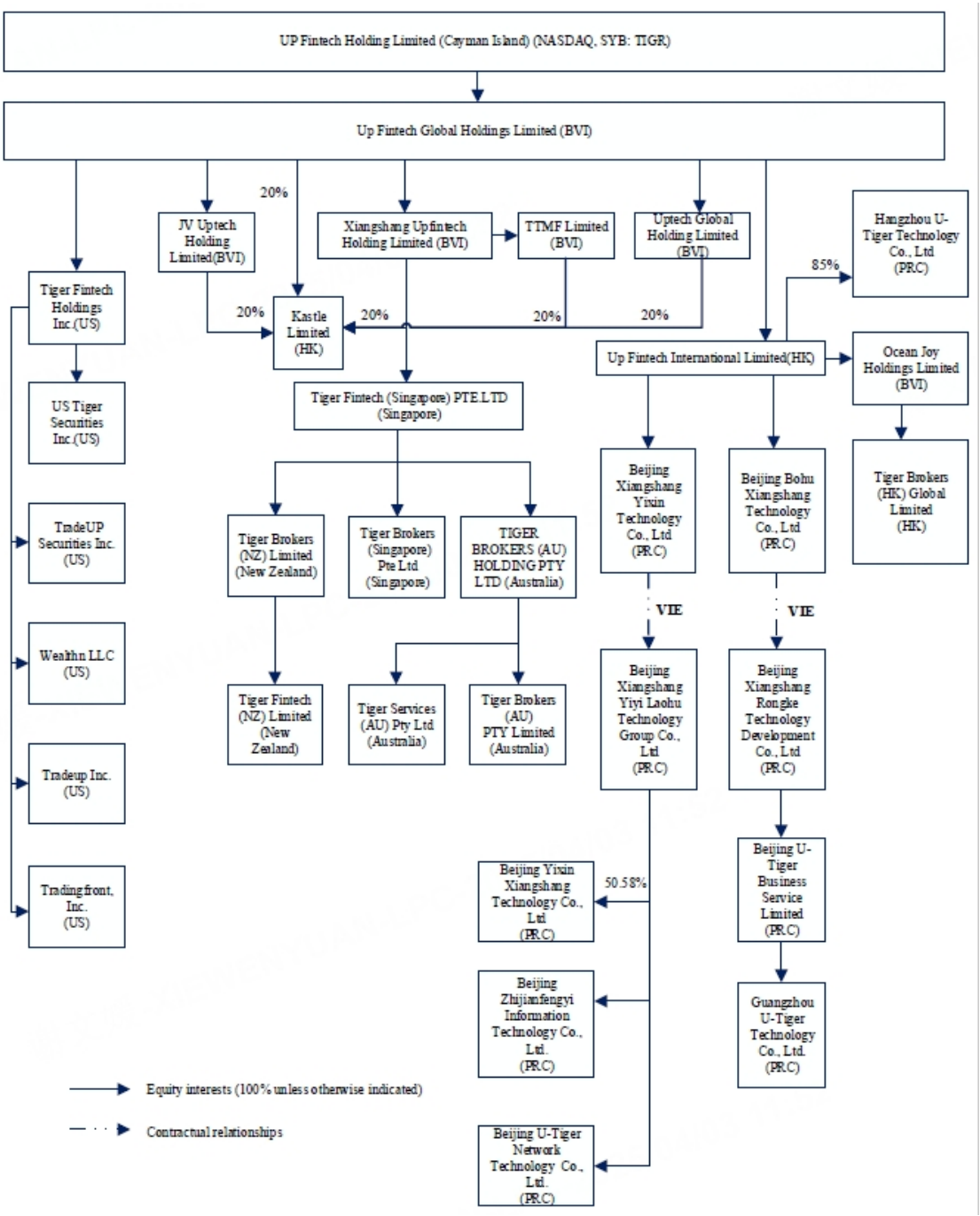
Not applicable.

### Item 3. Key Information

UP Fintech is not a Chinese operating company but a Cayman Islands holding company with no material operations of its own, whose operations are conducted by its subsidiaries and through contractual arrangements with VIEs based in China. This structure involves unique risks to investors. We conduct our operations primarily through our Singapore subsidiaries, New Zealand subsidiaries, U.S. subsidiaries, Hong Kong subsidiaries and the VIEs and their respective subsidiaries in China. The VIE structure is used to replicate foreign investment in Chinese-based companies where Chinese law prohibits direct foreign investment in the operating companies, and contractual arrangements with the VIEs may not be as effective as ownership in providing operational control. Chinese regulatory authorities could disallow this structure, which would likely result in a material change in our operations and/or value of our American Depositary Shares, or "ADSs," including that it could cause the value of such securities to significantly decline or become worthless. There is no assurance that the PRC government will not regulate transfer of cash to or from the holding company, the subsidiaries, the VIEs and investors. For more information about our operations, refer to "Item 3. Key Information – Certain Summary Financial Information Regarding the Company, Its Subsidiaries, and Consolidated VIEs." Additionally, VIE agreements have not been tested in a court of law. For more information regarding these and other risks, refer to "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure."

A diagram of our corporate structure, as of the date of this annual report, reflecting our significant subsidiaries, the consolidated VIEs, and subsidiaries of the VIEs, is set forth below:

Table of Contents



On December 2, 2021, the Securities and Exchange Commission, or SEC, adopted final rules, including amendments to Form 20-F, to implement the *Holding Foreign Companies Accountable Act*, or the HFCAA, which was signed into law on December 18, 2020 and further amended by the Consolidated Appropriations Act, 2023 signed into law on December 29, 2022. The HFCAA requires the SEC to prohibit the securities of any "covered issuer" from being traded on any of the U.S. securities exchanges, including The Nasdaq Stock Market, or traded "over-the-counter" if the auditor of the covered issuer's financial statements is not subject to PCAOB inspection for three consecutive years. The SEC rules establish procedures the SEC will follow in determining whether a registrant is a "Commission-Identified Issuer" (as defined in the final rule). On December 16, 2021, the PCAOB issued a report on its determinations that it is unable to inspect or investigate PCAOB-registered public accounting firms headquartered in Chinese mainland and in Hong Kong because of positions taken by PRC authorities in those jurisdictions. Our independent registered public accounting firm was subject to the determinations announced by the PCAOB on December 16, 2021. On May 26, 2022, the SEC added the Company to its conclusive list of Commission-Identified Issuers. The SEC's rules require each Commission-Identified Issuer to submit documentation to the SEC annually on or before its annual report due date establishing that it is not owned or controlled by a governmental entity in that foreign jurisdiction. The SEC will impose an initial trading prohibition on an issuer as soon as practicable after it has been conclusively identified as a Commission-Identified Issuer for two consecutive years.

On August 26, 2022, the PCAOB announced that it signed a *Statement of Protocol with the China Securities Regulatory Commission*, or the CSRC, and the Ministry of Finance, which it described as the first step toward opening access for the PCAOB to inspect and investigate completely registered public accounting firms in Chinese mainland and Hong Kong. On December 15, 2022, the PCAOB vacated its 2021 determination that the positions taken by authorities in Chinese mainland and Hong Kong prevented it from inspecting and investigating completely registered public accounting firms headquartered in those jurisdictions.

In light of the PCAOB's decision to vacate its 2021 determination and until such time as the PCAOB issues any new adverse determination, the SEC has stated that there are no issuers at risk of having their securities subject to a trading prohibition under the HFCAA. The Consolidated Appropriations Act, 2023, amended the HFCAA in two significant ways: (i) reducing the consecutive non-inspection years required to trigger HFCAA prohibitions from three to two, and (ii) allowing any foreign jurisdiction to be the basis for the PCAOB's incomplete access to inspect or investigate a company's auditor. Initially, the HFCAA applied only if the PCAOB's inability to inspect or investigate resulted from a stance taken by an authority in the foreign jurisdiction where the relevant public accounting firm operated. Following the Consolidated Appropriations Act, 2023, the HFCAA now also applies if the PCAOB's inability to inspect or investigate the relevant accounting firm arises from a stance taken by an authority in any foreign jurisdiction, irrespective of the location of the accounting firm. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in Chinese mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our control. If the PCAOB again becomes unable to conduct a full inspection of our independent registered public accounting firm's audit documentation related to their audit reports, then our common stock will again be subject to potential delisting from The Nasdaq Stock Market. For more information about these risks, see the risk factor below under the heading "We may be subject to consequences pursuant to the Holding Foreign Companies Accountable Act and related regulations, including the potential for our ADSs to be prohibited from trading on U.S. securities exchanges, including The Nasdaq Stock Market, and in the U.S. over-the-counter market, which will limit the liquidity of our ADSs and our access to U.S. capital markets."

We are subject to multiple risks arising from our corporate structure, including our status as a holding company incorporated in the Cayman Islands that conducts a portion of our business through China-based VIEs with which we have only contractual relationships and in which we do not own an equity interest, and our operations in China, including potential actions or decisions by PRC or U.S. regulatory authorities restricting or affecting our business activities in the PRC or our access to U.S. capital markets. Certain of these risks, as well as other information relating to our corporate structure and operations in China, are highlighted in this section. This information should be considered in conjunction with the other risks described below under "Risk Factors," and the information set forth under the heading "Certain Risks Related to Our Chinese Operations and Operating Structure" is incorporated by reference in "Item 3. Key Information – D. Risk Factors."

**Certain Risks Related to Our Chinese Operations and Operating Structure**

***Shareholders may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. courts may be limited, because we are registered under Cayman Islands law.***

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum of association and articles of association, the Companies Act of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedents in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like ours have no general rights under the Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have the discretion under our fourth amended and restated articles of association to determine such times and such days that our register and branch register of members, as the case may be, shall be open to inspection by our shareholders or other persons. This may make it more difficult for shareholders to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. We rely on home country practice with respect to certain corporate governance matters. Our shareholders may be afforded less protection than they otherwise would have under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have more difficulties in protecting their interests in the face of actions taken by the management, members of the board of directors or controlling shareholders than they would have as public shareholders of a company incorporated in the United States.

***If the agreements that establish the structure for operating some of our activities in China do not comply with PRC regulations, if we fail to obtain all required permissions and approvals required by Chinese regulatory authorities, or if these regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.***

Our WFOEs have entered into a series of contractual arrangements with the VIEs and their respective shareholders, respectively, which enable us to (i) exercise effective control over the VIEs, and (ii) receive substantially all of the economic benefits of the VIEs. As a result of these contractual arrangements, we have control over and are the primary beneficiary of the VIEs and hence consolidate their financial results into our consolidated financial statements under U.S. GAAP. See Item 4 “Information on the Company” for further details.

To our knowledge, we believe that (i) the ownership structures of the VIEs in China and our WFOEs, comply with all existing PRC laws and regulations; (ii) the contractual arrangements between our WFOEs, the VIEs and their respective shareholders governed by PRC law are valid, binding and enforceable, and in compliance with PRC laws or regulations currently in effect; and (iii) except as disclosed under the risk factor headed “We may be adversely affected by the complexity, uncertainties and changes in the PRC regulations of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations”, our PRC subsidiaries and the VIEs have received all permissions or approvals that we believe are required and necessary to conduct our business operations within the PRC in all material aspects. However, there are uncertainties regarding the interpretation and application of the existing and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may take a view that

is not consistent with the opinion of the Company and our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the VIEs are found to be in violation of any existing or future PRC laws or regulations, fail to obtain or maintain any of the required permits or approvals, or inadvertently conclude that such permissions or approvals are not required, or if applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future but are unable or fail to do so, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including, without limitation:

- revoking the business licenses and/or any permits held by such entities;
- discontinuing or placing restrictions or onerous conditions on our activities through any transactions between our WFOEs and the VIEs;
- imposing fines, confiscating the income from our WFOEs or the VIEs, or imposing other requirements with which we or the VIEs may not be able to comply;
- requiring us to restructure our ownership structure or activities, including terminating the contractual arrangements with the VIEs and deregistering the equity pledges of the VIEs, which in turn would affect our ability to consolidate, derive economic benefits from, or exert effective control over the VIEs; or
- restricting or prohibiting our use of the proceeds of our initial public offering and concurrent private placement to finance our business and activities in China.

The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of the VIEs in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of the VIEs and we are not able to restructure our ownership structure and operations in a satisfactory manner, or any other significant penalties imposed on us in this event, there would have a material adverse effect on our activities in China, and our ability to conduct our business may be negatively affected. This could have a material adverse effect on the market price of our ADSs.

***Uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations.***

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, or the FIL, which became effective on January 1, 2020 and replaced the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. On December 26, 2019, the State Council published the Implementation Rules of the Foreign Investment Law, or the FIL Implementation Rules, which took effect on January 1, 2020.

The FIL embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. For example, the FIL removes all references to the terms of "de facto control" or "contractual control" as defined in the draft published in 2015 by the Ministry of Commerce, or the MOFCOM, and adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means." The FIL Implementation Rules also remain silent on contractual arrangements. It leaves leeway for the future legislations promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. We currently use contractual arrangements to operate certain businesses, including the consolidated VIEs, in which

foreign investors are prohibited or restricted from investing. It is uncertain whether our corporate structure, including our existing VIE structures, will be seen as violating the foreign investment rules.

In addition, the FIL grants national treatment to foreign invested entities, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list". The current Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2024 Edition) was issued by the National Development and Reform Commission, or the NDRC, and the MOFCOM on September 8, 2024 and became effective on November 1, 2024. Furthermore, on December 19, 2020, the NDRC and the MOFCOM jointly issued the Measures for Security Review of Foreign Investment, effective on January 18, 2021, which provides detailed guidance regarding security review of foreign investment that has a potential impact on national security. However, there remain a number of unclear issues under the Measures, including but not limited to its view towards contractual arrangements, including VIE arrangements. Changes in PRC laws and regulations could materially adversely affect the contractual arrangements. If future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangement, we may face uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to comply with any of these or similar regulatory compliance requirements could materially and adversely affect our current corporate structure, corporate governance and business operations.

***We rely on contractual arrangements with the VIEs and their respective shareholders for a large portion of our business operations, which may not be as effective as equity ownership in providing operational control, and which we may not be able to enforce in a court of law.***

We are a holding company with no material operations of our own. We conduct our operations primarily through our Singapore subsidiaries, New Zealand subsidiaries, U.S. subsidiaries, Hong Kong subsidiaries and the VIEs and their respective subsidiaries in China. We have relied and expect to continue to rely on contractual arrangements with the VIEs and their respective shareholders to conduct certain of our key supporting functions. Additionally, the VIEs were responsible for generating approximately 0.7% of our revenues for the year ended December 31, 2024. The VIEs are consolidated for accounting purposes, but we do not have and may never have an equity interest in the VIEs. These contractual arrangements are used to provide investors with exposure to foreign investment in China-based companies where Chinese law prohibits direct foreign investment in the operating companies and may not be as effective as equity ownership in providing us with control over the VIEs. For example, the VIEs and their respective shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. Our contractual arrangements with the VIEs and their respective shareholders are described in detail below under the heading "Item 3. Key Information — Contractual Arrangements with the VIEs and Their Respective Shareholders."

If we had equity ownership of the VIEs, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIEs, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIEs and their respective shareholders of their obligations under the contracts to exercise control over the VIEs. The shareholders of the consolidated VIEs may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portions of our business through the contractual arrangements with the VIEs. If any disputes relating to these contracts remain unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. See "Item 3. Key Information - Certain Risks Related to Our Chinese Operations and Operating Structure - Any failure by the VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Therefore, our contractual arrangements with the VIEs may not be as effective in ensuring our control over the relevant portion of our business operations as equity ownership would be.

Our PRC legal counsel has advised us that there are uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules, including those governing VIE arrangements. Additionally, the VIEs contractual arrangements have not been tested in a Chinese court of law. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If

we or any of the VIEs are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. Additionally, Chinese regulatory authorities could disallow this structure, which would likely result in a material change in our operations and/or a material change in the value of our securities, including that it could cause the value of such securities to significantly decline or become worthless.

***Any failure by the VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.***

We refer to the shareholders of each VIE as its nominee shareholders because although they remain the holders of equity interests on record in each of the VIEs, pursuant to the terms of the relevant power of attorney, each such shareholder has irrevocably authorized the relevant WFOE to exercise his, her or its rights as a shareholder of the relevant VIE. Additionally, our WFOEs have the sole discretion to receive from the relevant VIE an annual service fee and will make discretionary determinations on whether to collect services fees and on the amount of fees to be collected in future years. To the extent that our WFOEs do not choose to charge service fees to the VIEs, we will not have any contractual rights to collect funds from the VIEs that would be legally enforceable upon liquidation or sale of the VIEs. Under such circumstances, our investors would not derive any benefit from the operation of, or our contractual arrangements with, the VIEs. Furthermore, if the VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under the PRC law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure will be effective under the PRC law. For example, if the shareholders of the VIEs refuse to transfer their equity interests in the VIEs to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they otherwise act in bad faith towards us, then we may have to take legal actions to compel them to perform their contractual obligations.

All of the agreements under our contractual arrangements are governed by the PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with the PRC law and any disputes would be resolved in accordance with PRC legal procedures. There are uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIEs and their shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. Additionally, the legal system in the PRC is developing and rapidly evolving. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. See “Item 3. Key Information - Certain Risks Related to Our Chinese Operations and Operating Structure - The legal system of the PRC is developing and rapidly evolving, and there are inherent uncertainties that may affect the protection afforded to us.” Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced under the PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration. In addition, under the PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition and enforcement proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over the VIEs, and our ability to conduct our business may be negatively affected.

***The shareholders of the VIEs may have potential conflicts of interest with us, which may materially and adversely affect our business.***

The shareholders of the VIEs may have potential conflicts of interest with us. These shareholders may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs, which would have a material and adverse effect on our ability to effectively control the VIEs and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with the VIEs to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us in a timely manner. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act

in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the Exclusive Option Agreements with these shareholders to request them to transfer all of their equity interests in the VIEs to a PRC entity or individual designated by us, to the extent permitted by the PRC law. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to uncertainties as to the outcome of any such legal proceedings.

***Contractual arrangements in relation to the VIEs may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC VIEs owe additional taxes, which could negatively affect our financial condition and the value of your investment.***

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the VIE contractual arrangements were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of the VIEs in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIEs for PRC tax purposes, which could in turn increase their liabilities without reducing our WFOEs' tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the VIEs for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if the VIEs' tax liabilities increase or if it is required to pay late payment fees and other penalties.

***We may lose the ability to use and enjoy assets held by the VIEs that are material to the operation of certain portions of our business if the VIEs go bankrupt or become subject to a dissolution or liquidation proceeding.***

As part of our contractual arrangements with the VIEs, the VIEs and their subsidiaries hold certain assets that are material to the operation of certain portion of our business, including intellectual properties. If the VIEs go bankrupt and all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, the VIEs may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If the VIEs undergo a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business and results of operations.

***The PRC government may regulate transfer of cash to or from the holding company, the subsidiaries, the VIEs and investors.***

A majority of our revenues were generated from our wholly owned subsidiaries in New Zealand, Singapore and the United States for the years ended December 31, 2022, 2023 and 2024. Most of the consolidated VIEs and their subsidiaries operate business in the PRC and their main functions are to support our licensed/registered entities in New Zealand, Singapore, and the United States, etc. ("Licensed Entities"). Certain of the costs generated by VIEs and their subsidiaries are covered by these Licensed Entities through inter-company transactions, and we expect that the Licensed Entities will cover a substantial majority of such costs in the future. In general, the holding company transfers funds from financing (including funds from its IPO, follow-on equity offerings, and offerings of convertible bonds, as applicable) to Licensed Entities in the form of capital injections or loans to support their business expansion. These Licensed Entities pay the consolidated VIEs and their subsidiaries periodically for the services rendered through inter-company transactions, pursuant to the terms of the contractual arrangements between them. To date, we have not experienced difficulty in transferring cash to or from the holding company, the subsidiaries, the VIEs, and investors. However, there is no assurance that the PRC government will not further regulate transfer of cash in the future.

***If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected.***

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations and with our customers and partners. Due to the volume and sensitivity of the personal information and customer data we manage and the nature of our brokerage services and ESOP management services, the security features of our platform and information systems are critical.

We have adopted security policies and measures, including encryption technology, to protect our proprietary data and customer's privacy. All customer and transaction data are saved in our own database and operating systems. Only database administrators with the proper authorization have access to the database. In addition, all employees should sign non-disclosure agreements when they join and leave our company. However, we cannot guarantee our employees will not breach the non-disclosure agreements in the future. Further, as the breadth and complexity of the infrastructure of our platform continues to grow, the potential risk of system breakdown or function failure increases and it is the same for the potential risk of security breaches and cyber-attacks such as viruses, malware or phishing attempts by cyber criminals or other wrongdoers seeking to steal our customer's data for financial gain or to harm our business operations or reputation. Further, if any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to customer data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, regulatory enforcement actions, fines or even criminal prosecution in one or more jurisdictions. Unauthorized disclosure of sensitive or confidential customer data, whether through system failure, employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose customers. Cyber-attacks could also adversely affect our operating results, consume internal resources, and result in litigation or potential liabilities for us and otherwise harm our business. Historically, we received complaints from our customers regarding the leakage of their personal information. Although we have conducted investigation on such leakage, we cannot guarantee that there will not be other similar incidents and complaints. Further, our security management programs are reviewed annually, and therefore, we cannot ensure that such programs will be updated promptly.

In addition, by virtue of third party channels, our corporate customers utilize our technology to serve their own customers. Consequently, any leak or abuse of customer data by our third party channels may be perceived by the customers as a result of our failure to protect the customer data and privacy. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our customers to lose trust in us and could expose us to legal claims.

A growing number of legislative and regulatory bodies have adopted consumer notification requirements in the event of unauthorized access to or acquisition of certain types of personal data. Such breach notification laws continue to evolve and may be inconsistent from one jurisdiction to another, which might become a particular concern as we accelerate our international expansion. For information regarding risks relating to privacy and data security laws to which we are subject in China, see "– We may be subject to regulatory compliance costs and enforcement activity relating to Chinese privacy and data security laws."

In addition, laws and regulations in certain jurisdictions impose specific regulatory requirements on cross border transmission of important personal data. We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information among us and our international subsidiaries. Non-compliance could result in significant penalties or legal liability. Foreign data protection, privacy, and other laws and regulations can impose different obligations or be more restrictive that those in Chinese mainland. Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. Also, the interpretation and application of consumer and data protection laws in the U.S., Europe and elsewhere are often uncertain. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. These legislative and regulatory proposals, if adopted, and such interpretations could, in addition to the possibility of fines, result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations.

We cannot assure that the measures we currently adopt to assess the personal data security could satisfy the requirements of the relevant governmental authorities or any future measures when published. Further, to comply with

those obligations will incur substantial costs and could increase negative publicity surrounding any incident that compromises user data. Although we have made substantial efforts to ensure our compliance with the applicable privacy regulations in various jurisdictions, we may not be capable of adjusting our internal policies in a timely manner and any failure to comply with applicable regulations could also result in regulatory enforcement actions against us.

***We may be subject to regulatory compliance costs and enforcement activity relating to Chinese privacy and data security laws.***

In China, the government is still ramping up regulations with regard to personal information protection. On October 1, 2020, the *Information Security Technology - Personal Information Security Specification (GB/T 35273-2020) ,* or the 2020 Specification took effect. Although the 2020 Specification is a recommended guideline, and it is not enforceable by law, the authority will use this standard to evaluate our compliance with China's legal guidelines and regulations regarding personal information protection. Besides, Personal Information Protection Law promulgated by SCNPC on August 20, 2021 became the most relevant law in China regarding personal information protection and came into effect on November 1, 2021. The Personal Information Protection Law provides serve punishment for those who violates regulations when processing personal information. For details of the relevant PRC Laws, please refer to the section "Regulations on Privacy Protection" below.

In addition, the Cyber Security Law of the PRC, which was promulgated by the Standing Committee of the National People's Congress, or the SCNPC and became effective on June 1, 2017, requires operators of key information infrastructures, which include, among others, public communications and information service and financial industry and other important industries and fields, shall store personal information and important data gathered and produced during operations in China within the territory of China. Where such information and data need to be transmitted overseas based on commercial demand, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace administration authority in concert with the relevant departments under the State Council. On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review, or the Cybersecurity Review Measures, which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, besides the procurement of network products and services by critical information infrastructure operators, any data processing activities by network platform operators that affects or may affect national security shall be subject to the cybersecurity review as well. In accordance with the Cybersecurity Review Measures, operators mastering personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when they seek for listing in a foreign country. In addition, the CAC published the Decision on Amending the Cyber Security Law (Draft for Comments), or the Decision on the Cyber Security Law on September 14, 2022, pursuant to which the legal liabilities of violating the Cyber Security Law are strengthened. However, as of the date of this annual report, the period for public comment on the draft of the Cyber Security Law has ended while no official rules have been issued, and the Cybersecurity Review Measures and the Decision on the Cyber Security Law remain unclear on whether the relevant requirements will be applicable to companies that have been listed in the United States. Although all of the data centers used for our brokerage service are located overseas, we have several servers located in China to provide user community support and market information. We might need to transmit certain personal data between different locations, and since such data are used for financial services, we might be subject to security assessment requirements as set forth in the Cyber Security Law of the PRC.

Furthermore, the Regulations on Network Data Security was promulgated by the State Council on September 24, 2024 and became effective on January 1, 2025, according to which, a network data handler may transmit personal information abroad if it meets any of the following conditions: (1) having passed the security assessment for data cross-border transmission organized by the state cyberspace administration; (2) having been certified by a specialized agency in respect of the protection of personal information in accordance with the provisions of the state cyberspace administration; (3) meeting the provisions on standard contract for cross-border transmission of personal information as developed by the state cyberspace administration; (4) necessary to provide personal information abroad in order to conclude or perform a contract to which it is a party; (5) necessary to provide personal information of employees abroad under the employment rules and regulations formulated in accordance with the law and collective contracts concluded in accordance with the law; (6) necessary to provide personal information abroad in order to perform statutory duties or obligations; (7) necessary to provide personal information abroad in order to protect the life, health and property security of natural persons in an emergency; and (8) other conditions provided for in laws, administrative

regulations or by the state cyberspace administration. In addition, network data processors engaging in network data processing activities that affect or may affect national security shall undergo national security review.

We cannot assure that the measures we currently adopt to assess the personal data security could satisfy the requirements of the relevant governmental authorities in China or any future measures when published. Further, to comply with those obligations will incur substantial costs and could increase negative publicity surrounding any incident that compromises user data. Although we have made substantial efforts to ensure our compliance with the applicable privacy regulations in various jurisdictions, we may not be capable of adjusting our internal policies in a timely manner and any failure to comply with applicable regulations could also result in regulatory enforcement actions against us. For more information regarding risks relating to privacy and data security regulations affecting our business and operations, see "– If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected."

***We may be adversely affected by the complexity, uncertainties and changes in the PRC regulations of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations.***

The PRC government extensively regulates the Internet industry, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the internet industry. These Internet-related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

We only have contractual control over the entities that provide Internet information provision services in China. We do not own such entities due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including Internet information provision services. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us.

The evolving PRC regulatory system for the Internet industry may lead to the establishment of new regulatory agencies. For example, in May 2011, the State Council announced the establishment of a new department, the CAC, with the involvement of the State Council Information Office, the Ministry of Industry and Information Technology, or the MIIT, and the Ministry of Public Security. The primary role of this new agency is to facilitate the policy-making and legislative development in this field, to direct and coordinate with the relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the Internet industry. In practice, PRC regulators, including the CAC, have been increasingly focused on regulation in the areas of data security and data protection, and are enhancing the protection of privacy and data security by rule-making and enforcement actions at central and local levels. For example, on July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer, or the Data Export Measures, which has become effective on September 1, 2022. The Data Export Measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad. The security assessment requirement also applies to any transfer of important data outside of China. We expect that these areas will receive greater and continued attention and scrutiny from regulators and the public going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection.

Considering our business arrangement and development plan, we have set up another set of VIE structures and intend the new VIE or its subsidiaries to apply for or hold the value-added telecommunications business license(s) as soon as practical to conduct value-added telecommunications business such as Internet information services. See "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business." We cannot guarantee that our new VIE, Beijing Yiyi or its subsidiary, will continue or maintain such value-added telecommunications business license due to uncertainties from PRC governmental authorities.

Beijing Yiyi's subsidiary, Beijing U-Tiger Network Technology Co., LTD, holds the License for Production and Operation of Radio and TV Programs issued on June 4, 2024, and the Business License for Value-added Telecommunications Business issued on July 22, 2022. Beijing Yiyi's subsidiary, Beijing Yixin Xiangshang

Technology Co.,LTD, holds the Business License for Value-added Telecommunications Business issued on July 25, 2024. Beijing Yiyi's subsidiary, Beijing Zhi Jian Feng Yi Information Technology Co., LTD, holds the License for Production and Operation of Radio and TV Programs issued on July 27, 2023, the Business License for Value-added Telecommunications Business issued on March 21, 2024, the License for Publication Business issued on April 25, 2022.

In addition, our provision of certain services online may subject us to license requirements in China. For instance, we provide some recorded videos as a way of customer education and occasionally launch other audio-video contents on our platform and our community, which may result in audio-video license requirements from the Ministry of Culture and Tourism, or MCT, National Radio and Television Administration, Cyberspace Administration of China, or their provincial level branches. The Internet Audio-Video Program Services Regulations only allow state-owned or state-controlled enterprises to apply for certain licenses, which means that we may not be able to obtain all required licenses. We also provide some digital works on our website and APP, which may require online publishing service license issued by the National Radio and Television Administration, or the NRTA, or its provincial level branches. In addition, we reprint some articles related to the stock market on our website and APP, and therefore may be subject to permit and approval requirements from the State Council Information Office. Furthermore, we also need to strictly follow the requirements applicable to online content providers set forth by the relevant regulatory authorities, especially for financial information. See "Item 3. Key Information – We are subject to numerous regulations in the PRC, and compliance with these regulations may result in costs, expenses, regulatory enforcement action, and reputational harm that may have a material adverse effect on our business and results of operations" and "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business." Failure to comply with these license or other requirements may subject us to penalties, which may adversely affect our business operations and reputation.

The interpretation and application of the existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the Internet industry have created uncertainties regarding the legality of the existing and future foreign investments in, and the businesses and activities of, Internet businesses in China, including our business. We cannot assure you that we have obtained all the permits or licenses related to our Internet related business in China that might be required for conducting our supporting functions in China or will be able to maintain our existing licenses or obtain new ones. In the event that the PRC government considers that we were operating without the proper approvals, licenses or permits, promulgates new laws and regulations that require additional approvals or licenses, or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to bring enforcement action against us, levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business and results of operations.

***The audit report included in this annual report has been prepared by our independent registered public accounting firm, whose work the Public Company Accounting Oversight Board was previously unable to inspect and, as such, you have previously been deprived of the benefits of such inspection and may be deprived of such benefits in the future if the work of our independent registered public accounting firm is unable to be inspected again.***

Our independent registered public accounting firm that has issued the audit report included in this annual report, KPMG Huazhen LLP, as an auditor of companies that are traded publicly in the United States and as a firm registered with the Public Company Accounting Oversight Board (United States), or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

Because we have substantial operations within the PRC and the PCAOB was unable to conduct inspections of the work of our independent registered public accounting firm as it relates to those operations without the approval of the Chinese authorities prior to 2022, our independent registered public accounting firm was not inspected fully by the PCAOB prior to 2022. This prior lack of PCAOB inspections in the PRC prevented the PCAOB from regularly evaluating our independent registered public accounting firm's audits and its quality control procedures. As a result, investors were previously deprived of the benefits of PCAOB inspections. As discussed above under "Item 3. Key Information," in 2022 the PCAOB was able to secure complete access to inspect and investigate audit firms in the PRC for the first time, and on December 15, 2022, the PCAOB vacated its 2021 determination that the positions taken by authorities in Chinese mainland and Hong Kong prevented it from inspecting and investigating completely registered public accounting firms headquartered in those jurisdictions.

There can be no guarantee that the PCAOB will continue to be able to fully inspect our independent registered public accounting firm's work in the future, due to factors outside our control. Inspections of other firms that the PCAOB has conducted outside the PRC have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The inability of the PCAOB to conduct full inspections of auditors in the PRC made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside the PRC that are subject to PCAOB inspections, which could cause investors to lose confidence in our reported financial information and procedures and the quality of our financial statements.

***We may be subject to consequences pursuant to the Holding Foreign Companies Accountable Act and related regulations, including the potential for our ADSs to be prohibited from trading on U.S. securities exchanges, including The Nasdaq Stock Market, and in the U.S. over-the-counter market, which will limit the liquidity of our ADSs and our access to U.S. capital markets.***

As discussed above under "Item 3. Key Information," the HFCAA requires the SEC to prohibit the securities of any "covered issuer," from being traded on any of the U.S. securities exchanges, including The Nasdaq Stock Market, or traded "over-the-counter," if the auditor of the covered issuer's financial statements is not subject to PCAOB inspection for, initially, three consecutive years. In December 2021, the SEC adopted final rules, including amendments to Form 20-F, to implement the HFCAA and establish procedures the SEC will follow in determining whether a registrant is a "Commission-Identified Issuer" (as defined in the final rule). Consistent with the HFCAA, these amendments require the submission of documentation to the SEC establishing that a "Commission-Identified Issuer" is not owned or controlled by a governmental entity in that foreign jurisdiction and also require disclosure in a foreign issuer's annual report regarding the audit arrangements of, and governmental influence on, such registrant, including any consolidated VIEs or other similar structures. On May 26, 2022, the SEC added the Company to its conclusive list of Commission-Identified Issuers.

In December 2022, the Accelerating Holding Foreign Companies Accountable Act was signed into law, which amended the HFCAA to (i) shorten the three-year period to two years and (ii) allow any foreign jurisdiction to be the basis for the PCAOB's incomplete access to inspect or investigate a company's auditor. Initially, the HFCAA applied only if the PCAOB's inability to inspect or investigate resulted from a stance taken by an authority in the foreign jurisdiction where the relevant public accounting firm operated. Following the Consolidated Appropriations Act, 2023, the HFCAA now also applies if the PCAOB's inability to inspect or investigate the relevant accounting firm arises from a stance taken by an authority in any foreign jurisdiction, irrespective of the location of the accounting firm.

On December 16, 2021, the PCAOB issued a report on its determinations that it is unable to inspect or investigate PCAOB-registered public accounting firms headquartered in Chinese mainland and in Hong Kong because of positions taken by PRC authorities in those jurisdictions. Our independent registered public accounting firm was subject to the determinations announced by the PCAOB on December 16, 2021. On August 26, 2022, the PCAOB announced that it signed a Statement of Protocol with the CSRC and the Ministry of Finance, which it described as the first step toward opening access for the PCAOB to inspect and investigate completely registered public accounting firms in Chinese mainland and Hong Kong. On December 15, 2022, the PCAOB vacated its 2021 determination that the positions taken by authorities in Chinese mainland and Hong Kong prevented it from inspecting and investigating completely registered public accounting firms headquartered in those jurisdictions. Consequently, the PCAOB is currently able to inspect the work of PCAOB-registered independent registered public accounting firms, including ours, in Chinese mainland and Hong Kong.

In light of the PCAOB's decision to vacate its 2021 determination and until such time as the PCAOB issues any new adverse determination, the SEC has stated that there are no issuers at risk of having their securities subject to a trading prohibition under the HFCAA. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of such firms is subject to uncertainty and depends on a number of factors out of our control. If the PCAOB again becomes unable to conduct a full inspection of our independent registered public accounting firm's audit documentation related to their audit reports for two consecutive years, then our ADSs may be prohibited from trading on U.S. securities exchanges, including The Nasdaq Stock Market, and in the U.S. over-the-counter market, which will limit the liquidity of our ADSs and our access to U.S. capital markets.

The HFCAA, related SEC and PCAOB rules, and any additional rulemaking efforts to increase U.S. regulatory access to audit information in China, could cause investor uncertainty for affected companies, including us, and the market price of our ADSs could be materially adversely affected.

***We are subject to numerous regulations in the PRC, and compliance with these regulations may result in costs, expenses, regulatory enforcement action, and reputational harm that may have a material adverse effect on our business and results of operations.***

We are subject to numerous regulations in the PRC, including those described in detail below under "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business." These regulatory requirements are evolving, and new regulatory requirements affecting us may be adopted. Compliance with these regulations involves costs, fees, and expenses, as well as time and attention from our leadership team. Additionally, if we fail to comply in full with applicable regulations, we may be subject to government enforcement action, which may be costly, impose operational burdens on us, and cause us reputational harm, any of which could have a material adverse effect on our business and results of operations.

***The legal system of the PRC is developing and rapidly evolving, and there are uncertainties that may affect the protection afforded to us.***

Our business and activities in China are governed by the PRC laws and regulations. The PRC legal system is generally based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various industries in China. However, as these laws and regulations are developing and continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency. Some of the laws and regulations are still in the developmental stage and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. We cannot predict the effect of future legal developments in China, including the promulgation of new laws, changes in existing laws or their interpretation or enforcement, or the preemption of local regulations by national laws. For example, the PRC government has recently published new policies that significantly affected certain industries such as the education and internet industries, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could adversely affect our business, financial condition and results of operations. As a result, there are uncertainties as to the legal protections available to us. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of the dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to us. For example, the Securities Law most recently amended in December 2019 and effective on March 1, 2020, stipulated that the offering and trading of securities outside the PRC which disrupt the domestic market order of the PRC and harm the legitimate rights and interests of domestic investors shall be dealt with pursuant to the relevant provisions of this Securities Law, and legal liability shall be pursued.

***The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs, and it has recently indicated an intent to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies.***

As a result of its significant oversight authority into businesses operating in the PRC, the PRC government may regulate our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. Uncertainties regarding the enforcement of laws and the fact that rules and regulations in the PRC can change quickly with little advance notice, along with the risk of the PRC government's significant oversight over our operations, could have a material adverse effect on our business, financial position, results of operations, access to the capital markets, and the market value of our ADSs.

Furthermore, on July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council issued Several Opinions Concerning Lawfully and Strictly Cracking Down Illegal

Securities Activities. These opinions call for strengthened regulation over illegal securities activities and supervision on overseas listings by China-based companies like us, and propose to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. On February 17, 2023, the CSRC promulgated *Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies*, or the Overseas Listing Trial Measures and relevant five guidelines, which became effective on March 31, 2023.

The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of Chinese mainland domestic companies' securities and regulates both direct and indirect overseas offering and listing of Chinese mainland domestic companies' securities by adopting a filing-based regulatory regime.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that (i) prior to the effective date of the Overseas Listing Trial Measures, Chinese mainland domestic companies that have already completed overseas listing shall be regarded as "existing companies", which are not required to fulfill filing procedure immediately but shall be required to complete the filing if such existing companies conduct refinancing in the future; and (ii) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources.

We believe, to the best of our knowledge, our business operations do not violate any of the above PRC laws and regulations currently in force in all material respects. Nevertheless, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirement on us. If there are any other approvals, filings and/or other administration procedures to be obtained from or completed with any other PRC regulatory agencies as required by any new laws and regulations for any of our future proposed offering of securities overseas or the listing of the ADSs, we cannot assure you that we can obtain the required approval or complete the required filings or other regulatory procedures in a timely manner, or at all. Any failure to obtain the relevant approvals or complete the filings and other relevant regulatory procedures may subject us to regulatory actions or other sanctions from such PRC regulatory agencies, which may have a material adverse effect on our business, financial condition or results of operations. Additionally, if our clients fail to meet regulatory requirements, it may impact our underwriting business, thereby having a negative effect on our revenue. For more details, please refer to "Description of Certain PRC Regulations Affecting Our Business - Regulations Relating to Overseas Offerings".

***PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using proceeds we received from our initial public offering and the Concurrent Private Placement to make loans or additional capital contributions to our PRC subsidiaries.***

In 2015, the SAFE published the *Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises*, or the SAFE Circular 19, which has come into effect since June 1, 2015. According to the SAFE Circular 19, foreign-invested enterprises are allowed to convert their registered capital from foreign exchange to Renminbi and apply such funds to equity investment within the PRC, conditioned upon the investment target's duly registration with local bank of such reinvestment and open a corresponding special account pending for foreign exchange settlement payment. Further, such conversion will be handled at the bank level and does not need to be approved by the SAFE. The SAFE Circular 19 prohibits foreign-invested enterprises from, among other things, using an RMB fund converted from its foreign exchange capital for expenditure beyond its business scope, investment in securities, providing entrusted loans, repaying loans between nonfinancial enterprises or purchasing real estate not for self-use. The SAFE promulgated the *Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account*, or the SAFE Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in the SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to issue RMB entrusted loans, to the prohibition against using such capital to issue loans to non-associated enterprises.

As a holding company incorporated under the laws of the Cayman Islands, with some of our operations conducted in China, we may make loans to our PRC subsidiaries and VIEs, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China. Any loans provided by us to our PRC subsidiaries and VIEs are subject to PRC regulations and foreign exchange loan registrations. Such loans to any of our PRC subsidiaries and VIEs cannot exceed a statutory limit and must be filed with SAFE through the online filing system of SAFE pursuant to the applicable PRC regulations. Any such loan with a term of one year or more must be recorded and registered with the National Development and Reform Commission. In addition, the capital of a foreign invested enterprise may not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

Our ability to make loans or capital contributions to our subsidiaries and VIEs may be constrained by these regulations, and if we fail to comply with such regulations, our ability to capitalize the relevant PRC subsidiaries or fund our operations may be negatively affected, which could materially and adversely affect the liquidity of our relevant PRC subsidiaries or our business, financial condition, results of operations and growth prospects.

***We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations.***

On July 4, 2014, the SAFE issued the *Circular on Several Issues Concerning Foreign Exchange Administration of Domestic Residents Engaging in Overseas Investment, Financing and Round-Trip Investment via Special Purpose Vehicles*, or the SAFE Circular 37, which replaced the previous *Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents' Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles*, effective on November 1, 2005, or the SAFE Circular 75. The SAFE Circular 37 requires PRC individuals, institutions and foreign individuals who have a habitual residence in the PRC due to economic interests, or collectively referred as the PRC residents, to register with the SAFE or its local branches in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. Such offshore entity is referred to as an offshore special purpose vehicle. In addition, such PRC residents must update their foreign exchange registrations with the SAFE when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC residents, name and operation term), increases or decreases in investment amount, share transfers or exchanges, or mergers or divisions. According to the *Circular on Further Simplifying and Improving the Administration of Foreign Exchange Concerning Direct Investment* released on February 13, 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under the SAFE Circular 37 from June 1, 2015.

If any shareholder holding interest in an offshore special purpose vehicle, who is a PRC resident as determined by the SAFE Circular 37, fails to fulfill the required foreign exchange registration with the local SAFE branches or its designated banks, the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

Mr. Tianhua Wu and some other individual shareholders, who indirectly hold shares in our company and who are known to us as being PRC residents have completed the SAFE registration pursuant to the SAFE Circular 37. We have requested all of our current shareholders and/or beneficial owners to disclose whether they or their shareholders or beneficial owners fall within the ambit of the SAFE Circular 37 and urged relevant shareholders, upon learning that they are PRC residents, to register with the local SAFE branch or its designated bank as required under the SAFE Circular 37. However, we may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC residents, and we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC residents will comply with our requests to make, obtain or update any applicable registrations or comply with other requirements pursuant to the SAFE Circular 37 or other related rules in a timely manner. Failure of our existing and future shareholders who are PRC residents to register or amend their foreign exchange registrations in a timely

manner pursuant to the SAFE Circular 37 and subsequent implementation rules may subject such beneficial owners or our wholly-owned PRC subsidiary to fines and legal sanctions. Failure to register or comply with the relevant requirements may also limit our ability to contribute additional capital to our WFOEs for the research and development and other supporting functions. These risks may have a material adverse effect on our business and results of operations.

***You may be subject to PRC withholding tax on dividends from us and PRC income tax on any gain realized on the transfer of our shares or ADSs if we are deemed a PRC resident enterprise.***

As described above, we may be treated as a PRC resident enterprise for PRC tax purposes. Under the EIT Law and its implementation rules, PRC withholding tax at the rate of 10% is normally applicable to PRC sourced dividends payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of ADSs or shares by such non-PRC resident enterprise investors is also subject to a 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. Under the *PRC Individual Income Tax Law* and its implementation rules, PRC sourced dividends paid to non-PRC individual investors are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of ADSs or shares are generally subject to a 20% PRC income tax. While substantially all of our brokerage operations are in New Zealand or Singapore, it is unclear whether dividends we pay with respect to our ADSs, or the gain realized from the transfer of our ADSs, would be treated as the income derived from sources within the PRC and as a result be subject to PRC income tax if we were considered a PRC resident enterprise, as described above. See Item 3.D “Risk Factors — Risks Related to Doing Business in China – We may be deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, or the EIT Law, and be subject to the PRC taxation on our worldwide income, which may significantly increase our income tax expenses and materially decrease our profitability.” If PRC income tax were imposed on gains realized through the transfer of our ADSs or on dividends paid to our non-resident investors, the value of your investment in our ADSs may be materially and adversely affected. Any PRC tax liability described above may be reduced under applicable tax treaties. However, it is unclear whether our ADS holders whose jurisdictions of residence have tax treaties or arrangements with China will be able to obtain the benefits of such tax treaties or arrangements, if the prerequisites provided under the relevant treaties or arrangements were not satisfied.

***We may not be able to obtain certain tax benefits for dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiaries.***

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an establishment in the PRC, or has set up an establishment therein but its income has no actual connection with such establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the *Arrangement between the Chinese mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income*, or the “Double Taxation Arrangement,” the withholding tax rate on dividends paid by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the equity interests of the PRC enterprise. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See Item 4.B “Business Overview-Operating and Financial Review and Prospects-Regulations Relating to Tax-PRC Regulations on Dividend Withholding Tax.” We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the relevant PRC tax authority that or we will be able to complete the necessary filings with the relevant PRC tax authority and enjoy the preferential withholding tax rate of 5% under the Double Taxation Arrangement with respect to dividends to be paid by our PRC subsidiaries to our Hong Kong subsidiaries.

***PRC regulations may restrict our ability to convert Renminbi into foreign currency and remit such currency out of the PRC to pay capital expenses.***

The Group’s revenues were largely generated by our wholly owned subsidiaries outside of PRC, which pay the consolidated VIEs and their subsidiaries periodically for the services rendered through inter-company transactions. We do not rely on the consolidated VIEs to distribute earnings to the parent company or to U.S. investors. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest

payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without the prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future, which could have a material adverse effect on our business.

**Contractual Arrangements with the VIEs and Their Respective Shareholders**

We use contractual arrangements to control the VIEs due to restrictions or prohibitions on foreign ownership of Internet technology services and other related businesses in China. According to the Negative List (as defined elsewhere in this report) that took effect on November 1, 2024, the restrictions on the controlling stake of Internet technology service companies still exist, and foreign investments in this business are also restricted by other qualifications and requirements under relevant regulations in China.

Our WFOEs, Beijing Bohu and Beijing Yixin, respectively, have the sole discretion to receive from the relevant VIE an annual service fee at an amount of at least 99% of the respective VIE's annual net profit. In addition, Beijing Bohu and Beijing Yixin are entitled to receive certain fees for other technical services at the amount mutually agreed upon by Beijing Bohu or Beijing Yixin and the respective VIE. Beijing Bohu and Beijing Yixin did not collect any service fees from the VIEs in the last three fiscal years and will make discretionary determinations on whether to collect services fees and on the amount of fees to be collected. We do not have unfettered access to Beijing Bohu's, Beijing Yixin's and the respective VIEs' revenues due to PRC legal restrictions on the payment of dividends by PRC companies, foreign exchange control restrictions, and the restrictions on foreign investment, among others.

As a result of our direct ownership in Beijing Bohu and Beijing Yixin, and the contractual arrangements with the VIEs, we are regarded as the primary beneficiary of the VIEs, and we treat them as our consolidated affiliated entities under U.S. GAAP. We have consolidated the financial results of the VIEs in our consolidated financial statements in accordance with U.S. GAAP.

***Agreements that provide us with effective control over the VIEs***

*Powers of Attorney*. Pursuant to the Powers of Attorney dated November 1, 2023 among Beijing Bohu and each of the shareholders of Beijing Rongke, which replaced and superseded the prior version dated October 11, 2022 because some of the shareholders exited Beijing Rongke, each of the shareholders of Beijing Rongke irrevocably authorized Beijing Bohu to act as its attorney-in-fact to exercise all of its rights as a shareholder of Beijing Rongke, including, but not limited to, the right to attend shareholders' meetings, vote on any resolution that requires a shareholder vote, such as the sale, transfer, disposal and pledge of all or part of the equity interest owned by such shareholder, and decide on the appointment and removal of directors, supervisors and officers. Beijing Bohu can assign or transfer under the aforementioned Powers of Attorney at its own discretion to any other person or entity without notice to or consent from any or all of the shareholders of Beijing Rongke. The Power of Attorney will remain effective and irrevocable with respect to each shareholder of Beijing Rongke until he or she ceases to be a shareholder of Beijing Rongke.

On October 30, 2018, Beijing Yixin and each of the shareholders of Beijing Yiyi entered into a Power of Attorney, which contain terms substantially similar to the Powers of Attorney executed by the shareholders of Beijing Rongke described above.

*Exclusive Option Contracts*. Pursuant to the Exclusive Option Contract dated November 1, 2023, among Beijing Bohu, Beijing Rongke and each shareholder of Beijing Rongke, which replaced and superseded the version dated October 11, 2022 because some of the shareholders exited Beijing Rongke, the shareholders of Beijing Rongke have irrevocably granted Beijing Bohu an exclusive option to purchase all or part of their equity interests in Beijing Rongke.

Beijing Rongke has irrevocably granted Beijing Bohu an exclusive option to purchase all or part of its assets. Beijing Bohu or its designated person(s) may exercise such options at RMB10 or at the lowest price permitted under applicable PRC laws, whichever is lower. The shareholders of Beijing Rongke undertake that, without Beijing Bohu's prior written consent, they will not, among other things, (i) create any pledge or encumbrance on their equity interests in Beijing Rongke, (ii) transfer or otherwise dispose of their equity interests in Beijing Rongke, (iii) change Beijing Rongke's registered capital, (iv) supplement, revise or amend Beijing Rongke's articles of association, or (v) allow Beijing Rongke to merge with any other entity. In addition, Beijing Rongke undertakes that, without Beijing Bohu's prior written consent, it will not, among other things, create any pledge or encumbrance on any of its assets, or enter into any material contracts (except in the ordinary course of business). The Exclusive Option Contract will remain effective for a term of ten years and renewable in accordance with the sole discretion of Beijing Bohu.

On October 30, 2018, Beijing Yixin and each shareholder of Beijing Yiyi entered into an Exclusive Option Contract which contain terms substantially similar to the Exclusive Option Contract described above.

*Spouse Consent Letters*. Pursuant to the Spouse Consent Letters dated December 17, 2018, the spouse of each married shareholder of Beijing Rongke which restated and amended the version dated June 7, 2018, unconditionally and irrevocably agreed not to assert any rights over the equity interest in Beijing Rongke held by and registered in the name of their spouse. In addition, each of them agreed to be bound by the contractual arrangements described here if the spouse obtains any equity interest in Beijing Rongke for any reason.

On October 30, 2018, the spouse of each shareholder of Beijing Yiyi signed two Spouse Consent Letters, which contain terms substantially similar to the Spouse Consent Letters described above.

*Commitment Letters*. Pursuant to the Commitment Letters dated November 1, 2023, the shareholders of Beijing Rongke which replaced and superseded the version dated October 11, 2022 because some of the shareholders exited Beijing Rongke, undertake that, when Beijing Bohu exercises its options under the Exclusive Option Contracts, they will refund, without any conditions, any amount and fees to Beijing Bohu which exceed the share purchase price provided in the Exclusive Option Contracts.

On October 30, 2018, each of the shareholders of Beijing Yiyi executed a Commitment Letter, which contain terms substantially similar to the Commitment Letters described above.

***Agreements that allow us to receive economic benefits from the VIEs***

*Equity Pledge Contracts.* Pursuant to the Equity Pledge Contract dated November 1, 2023 among Beijing Bohu(previously known as Ningxia Yixin), Beijing Rongke (previously known as Ningxia Rongke) and each shareholder of Beijing Rongke, which replaced and superseded the version dated October 11, 2022 because some of the shareholders exited Beijing Rongke, the shareholders of Beijing Rongke have agreed to pledge 100% of the equity interests in Beijing Rongke for the benefit of Beijing Bohu. In the event of a breach by Beijing Rongke or its any shareholder of contractual obligations under the Equity Pledge Contract, Beijing Bohu, as pledgee, will have the right to dispose of the pledged 100% equity interests in Beijing Bohu and will have priority in receiving the proceeds from such disposal.

The shareholders of Beijing Rongke also undertake that, without prior written consent of Beijing Bohu, they will not dispose of, create or allow any encumbrance on the pledged equity interests and rights. Beijing Rongke further undertakes that, there is no other pledge or any other encumbrance on the assets owned by it that will or is likely to affect Beijing Bohu's pledged equity interests and rights, including but not limited to any transfer of intellectual property rights or transfer of any asset with a value exceeding RMB0.5 million (except in the ordinary course of business). Beijing Rongke further undertakes that, without the prior written consent of Beijing Bohu, they will not assist or allow any encumbrance to be created on the pledged equity interests. The equity pledge under the Amended Equity Pledge Contract will not be effective until Beijing Rongke and its shareholders complete relevant registration with appropriate government authorities.

On October 30, 2018, Beijing Yixin, Beijing Yiyi and each shareholder of Beijing Yiyi entered into an Equity Pledge Contract, which contains terms substantially similar to the Amended Equity Pledge Contract described above.

We completed the registration of the equity pledge of Beijing Yiyi on December 27, 2018 under the Equity Pledge Contract with the State Administration for Market Regulation (the "SAMR"), in accordance with the PRC Property Rights Law.

*Exclusive Business Cooperation Agreements.* Pursuant to the Exclusive Business Cooperation Agreement dated June 7, 2018 between Beijing Bohu and Beijing Rongke, Beijing Bohu has the exclusive right to provide Beijing Rongke with the consulting and technical services required by Beijing Rongke's business. Without Beijing Bohu's prior written consent, Beijing Rongke may not accept any services subject to this Exclusive Business Cooperation Agreement from any third party. Beijing Rongke agrees to pay Beijing Bohu an annual service fee at an amount of no less than 99% of its net profit or the amount which is adjusted at any time at the sole discretion of Beijing Bohu. Beijing Bohu has the exclusive ownership of all the intellectual property rights created as a result of the performance of the Exclusive Business Cooperation Agreement, to the extent permitted by applicable PRC laws. Beijing Rongke also undertakes that upon the request of Beijing Bohu, it will assist Beijing Bohu in the consummation of the assignment or transfer of the relevant intellectual property rights, including but not limited to entering into a transfer or license agreement at no or a nominal consideration as well as fulfilling the necessary registration. To guarantee Beijing Rongke's performance of its obligations thereunder, its shareholders have pledged their equity interests in Beijing Rongke to Beijing Bohu pursuant to the Equity Pledge Contract. The Exclusive Business Cooperation Agreement will remain effective for a term of ten years and unconditionally renewable at the sole discretion of Beijing Bohu.

On October 30, 2018, Beijing Yixin and Beijing Yiyi entered into an Exclusive Business Cooperation Agreement, which contains terms substantially similar to the Exclusive Business Cooperation Agreement described above.

**Description of Certain PRC Regulations Affecting Our Business**

We are subject to regulation by multiple PRC laws, regulations, and governing authorities, as described in more detail below. To date, except as disclosed under the risk factor headed "We may be adversely affected by the complexity, uncertainties and changes in the PRC regulations of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations" and subject to the official interpretation and implementation of and potential further action pursuant to CSRC 1230 Notice (as defined below), to our knowledge our PRC subsidiaries and the VIEs have received all permissions or approvals that we believe are required and necessary to conduct our current business operations within the PRC in all material aspects. In reaching this determination, we have relied in part on the advice of our PRC legal counsel, JunHe LLP. However, there is no guarantee that we will be able to obtain all requisite permissions and approvals in the future. Besides, if the CSRC imposes other further regulatory actions or penalties on us, our business and results of operations within the PRC may be materially and adversely affected. In addition, there are uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules and the PRC regulatory authorities may take a view that is contrary to the opinion of us. For more information, refer to the risk factor above under the heading "If the agreements that establish the structure for operating some of our activities in China do not comply with PRC regulations, or if we fail to obtain all required permissions and approvals required by Chinese regulatory authorities or if these regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations."

***PRC Regulations Relating to Securities and Futures Brokerage Business***

Under existing PRC securities laws and regulations, including *Securities Law of the PRC*, which was most recently amended on 28 December, 2019 became effective on March 1, 2020, operating securities business in the PRC, including among others, securities brokerage business, futures brokerage business, stock option brokerage business, and securities and futures investment consulting services, requires a securities brokerage license or certain other approvals from the Chinese Securities Regulatory Commission, or the CSRC. In addition, the Securities Law also stipulates that the offering and trading of securities outside the PRC which disrupt the domestic market order of the PRC and harm the legitimate rights and interests of domestic investors shall be dealt with pursuant to the relevant provisions of this Securities Law, and legal liability shall be pursued. This is the second major set of amendments of the Securities Law since the major revision in 2005. Three main changes have been widely reported and discussed, namely, (i) the reform of the registration-based IPO system, (ii) the imposition of more severe punishments for violations, and (iii) the enhancement of protection for retail investors.

On January 13, 2023, the CSRC promulgated the *Measures for the Administration of the Securities Brokerage Business*, which became effective on February 28, 2023. Under the *Measures for the Administration of the Securities Brokerage Business*, an overseas securities business entity that conducts securities business or establishes a representative office in Chinese mainland shall obtain the approval of the securities regulatory authority of the State Council. The specific measures shall be formulated by the securities regulatory agency of the State Council and submitted to the State Council for approval. An overseas securities business entity violating Article 95 of the Regulations on Supervision and Administration of Securities Firms, directly or through its affiliates conducting activities such as opening account, marketing and other activities of overseas securities trading services for domestic investors without authorization, shall be penalized in accordance with the *Securities Law of the PRC*.

Failure to comply with such laws and regulations may result in penalties, including rectification requirements, confiscation of illegal proceeds, fines or even shutting down of business. In relation to our business in the PRC, one of our PRC entities received a rectification notice issued by the Beijing branch of the CSRC in September 2016, which required us, among others, to refrain from providing support to unauthorized foreign service providers that conduct securities business in China. Following the notice, we took certain rectification measures, including among others, (i) removing links to, and access to account opening functions of the website and the APP previously developed by such PRC entity; (ii) deleting "Zhengquan" (securities in Chinese) and "Gupiao" (stocks in Chinese) from the name of the APP previously developed by such PRC entity; and (iii) timely submitting in writing to the Beijing branch of the CSRC to brief on the rectification measures made by such PRC entity. Afterwards, we had communicated with the Beijing branch of the CSRC for a few times and further adjusted our business in China to comply with PRC laws. We believed that we had taken necessary measures in response to the above notice.

However, on December 30, 2022, the CSRC issued another notice, or CSRC 1230 Notice, stating that we had carried out cross-border securities business for Chinese mainland investors without approval from the CSRC, and such activities constitute illegal operation of securities business under the Securities Law of the PRC. The CSRC 1230 Notice set out two principal rectification requirements: (i) we should stop all incremental illegal operations in Chinese mainland, such as soliciting and developing any new Chinese mainland customers or opening new securities accounts for them; and (ii) we should properly handle the existing accounts held by Chinese mainland investors by allowing them to continue their transactions through such accounts. However, we are strictly prohibited from accepting any incremental funds that violate PRC foreign exchange regulations to such existing accounts. Furthermore, on February 15, 2023, the CSRC published its official reply in response to the public attention on the CSRC 1230 Notice, emphasizing its core requirements of "prohibiting incremental illegal business effectively and solving existing issues properly" in relation to its supervision and regulation of our business operations in Chinese mainland. We have been actively and will use best efforts to continue to be in cooperation with CSRC to satisfy 1230 Notice and meet the rectification requirements set out under CSRC 1230 Notice. Starting from May 18, 2023, our APP "Tiger International" has been removed from the PRC application market.

However, we cannot assure you that we will not be subject to further investigation or scrutiny or be imposed any additional requirements in the future. Besides, if the CSRC is not satisfied with our rectification measures or the CSRC imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected. See Item 3.D "Risk Factors-Risks Related to Our Business and Industry-We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our activities in multiple jurisdictions and related to residents therein, especially in China or otherwise related to PRC residents."

***PRC Regulations Relating to Foreign Investment***

On September 6, 2024, the Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2024 Edition), or the Negative List, was promulgated by the MOFCOM and NDRC and took effect on November 1, 2024, whereby the Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2021 Edition) was simultaneously repealed. Specifically, the Negative List provides that foreign investors shall hold no more than 50% of the equity interests in a service provider operating certain value-added telecommunications services other than for e-commerce, domestic multi-party communication, store and forward class and call center.

On March 15, 2019, the *Foreign Investment Law of PRC*, or the FIL, was issued by the National People's Congress and took effect on January 1, 2020, which also provides that the industries in which foreign investment is not restricted

and prohibited shall be administered under the principle of equal treatment to domestic investment. On December 26, 2019, the State Council published the FIL Implementation Rules, which took effect on January 1, 2020. Furthermore, on December 19, 2020, the NDRC and the MOFCOM jointly issued the Measures for Security Review of Foreign Investment, effective on January 18, 2021, which provides detailed guidance regarding security review of foreign investment that has a potential impact on national security.

Foreign investment in telecommunications companies in the PRC is governed by the *Provisions on Administration of Foreign-Invested Telecommunications Enterprises*, or the Foreign-Invested Telecommunications Enterprises Provisions, which were promulgated by the State Council on December 11, 2001, and amended on September 10, 2008 and February 6, 2016. The Foreign-Invested Telecommunications Enterprises Provisions prohibits a foreign investor from holding over 50% of the total equity interests in any value-added telecommunications service business in Chinese mainland. On March 29, 2022, the State Council published the Decision of the State Council to Amend and Repeal Certain Administrative Regulations, among which the Foreign-Invested Telecommunications Enterprises Provisions was further amended. The latest version removes certain requirements for foreign-invested telecommunications enterprises and came into effect on May 1, 2022.

***PRC Regulations Relating to Internet Companies***

*Regulations on Value-Added Telecommunication Services*

Pursuant to the *Telecommunications Regulations of the PRC*, or the Telecommunications Regulations, promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, telecommunication service providers must obtain an operating license prior to the commencement operations. The Telecommunications Regulations categorize telecommunication services into basic telecommunication services and value-added telecommunication services. According to the *Catalog of Telecommunications Business*, attached to the Telecommunications Regulations, information services provided via fixed network, mobile network and Internet fall within value-added telecommunication services.

Pursuant to the *Administrative Measures on Internet Information Services*, promulgated by the State Council in 2000 and amended in 2011, "Internet information services" refer to the provision of information through the Internet to online users, and are divided into "commercial Internet information services" and "non-commercial Internet information services". Under the Telecommunications Regulations and relevant administrative measures, commercial operators of value-added telecommunications services must first obtain a license for conducting Internet content provision services, or an "ICP License", from the Ministry of Industry and Information Technology, or the MIIT, or its provincial level branches. Otherwise, such operator might be subject to sanctions including corrective orders and warnings, imposition of fines and confiscation of illegal gains and, in the case of significant infringement, orders to close the website.

Our consolidated affiliated entity, Beijing Yiyi's subsidiaries have applied for or obtained ICP License for providing financial and market information to our users, while we cannot guarantee that Beijing Yiyi's subsidiaries may at all times continue or maintain such license(s) due to uncertainties from PRC governmental authorities. With respect to the risk of not obtaining, continue or maintain the ICP License, please refer to "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure – We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations."

*Regulation on Mobile Internet Applications Information Services*

Our APP is also regulated by the *Provisions on the Administration of Mobile Internet Applications Information Services*, or the APP Provisions, promulgated by the Cyberspace Administration of China (CAC), on June 28, 2016 and amended in 2022. The latest version became effective on August 1, 2022. According to the APP Provisions, the providers of APPs shall not create, copy, publish or distribute information and content that is prohibited by laws and regulations. However, we cannot assure that all the information or content displayed on, retrieved from or linked to our APP comply with the requirements of the APP Provisions at all times. If our APP were found to be violating the APP Provisions, we may be subject to administrative penalties, including warning, service suspension or removal of

our APP from the relevant APP store, which may materially and adversely affect our business and operating results. Besides, the MIIT issued the *Notice of Carrying out the Filing of Mobile Internet Applications* on July 21, 2023, which proposes the requirements that developers of Apps engaged in Internet information services within the PRC must comply with certain filing requirements in accordance with the relevant regulations and such holders shall not engage in the App Internet information service without completion of such filing. See "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure – We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of Internet-related businesses and companies, and any lack of requisite licenses, permits or approvals applicable to our business may have a material adverse effect on our business and results of operations."

*Regulations on Internet Audio-Video Program Services*

The *Administrative Regulations on Internet Audio-Video Program Services*, or the Internet Audio-Video Program Services Regulations promulgated by the State Administration of Press, Publication, Radio, Film and Television, or the "SAPPRFT" (which has been divided into National Radio and Television Administration, or NRTA, National Press and Publication Administration, or NPPA, and China Film Administration), which became effective on January 31, 2008 and was amended on August 28, 2015, sets forth the principal rules and requirements on the Internet audio-video program services. According to the Internet Audio-Video Program Services Regulations and other regulations, an Internet audio-video program service provider must obtain an audio-video license issued by National Radio and Television Administration before spreading audio-video programs via the Internet. The audio-video program services are defined as the activities of making, editing and integrating audio-video programs and providing them to the public via the Internet or providing services for other people to upload and spread audio-video programs. In addition, the Internet Audio-Video Program Services Regulations only allow state-owned or state-controlled enterprises to apply for such license. Any entity that fails to obtain an audio-video license but operates relevant audio-video services may face administrative penalties including warnings, rectification orders and fines of no more than RMB30,000, and in severe cases, bans from doing business, confiscation of equipment utilized in providing such services and fines ranging from one to two times of the investment amounts of the entity.

*Regulation on Internet Publishing*

On February 4, 2016, the SAPPRFT, and the MIIT jointly issued the Administrative Measures of Internet Publishing Services, or the Internet Publishing Measures, which became effective on March 10, 2016. According to the Internet Publishing Measures, an entity shall obtain an online publishing service license issued by the provincial branch of NPPA to provide online publishing services. Online publishing services refer to the provision of online publications to the public through information networks. Online publications refer to digital works with publishing features such as having been edited, produced or processed and are made available to the public through information networks.

*Regulations on Financial Information Services*

On December 26, 2018, the CAC promulgated the *Provisions on Administration of Financial Information Services*, taking effect on February 1, 2019. These provisions set forth general qualification, management and content requirements for financial information service providers if they provide financial information or data that may affect the financial market for users who engage in financial analysis, financial transactions, financial decisions or other financial activities. Specifically, financial information service providers are required to disclose the sources of the financial information or data in a clear and accurate manner, and shall not make, copy, publish or disseminate any content that covers, among others, false financial information that may detriment national financial security or stability of society, fictional event or news regarding the financial market (including that related to securities, funds, futures or foreign currency), or certain financial products or services that are forbidden by the competent regulatory authorities. Violations of any of the requirements in these provisions may subject the financial information service providers to penalties such as public condemnation and rectification orders.

*Regulations on Internet News Dissemination*

The State Council Information Office promulgated the *Interim Administrative Regulations for Publication News by Internet Websites* in 2000 and *Administrative Regulations for Internet News Information Services* in 2017. These regulations stipulate that general websites established by non-news organizations may publish news released by certain

official news agencies if such websites satisfy the requirements set forth in these regulations but may not publish news items produced by themselves or other news sources. These regulations also require the general websites of non-news organizations to obtain permit and approval from the State Council Information Office at both the provincial and national level before they commence providing news dissemination services.

*Regulations on Cyber Security*

Internet information in China is heavily regulated and restricted from as a national security issue stand point. The Standing Committee of the National People's Congress, or the SCNPC, enacted the *Decision on Internet Security Protection* in December 2000, as further amended in August 2009, which impose criminal liabilities on persons or entities that: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. The Ministry of Public Security has promulgated measures that prohibit the use of the Internet in ways that would result in the leakage of state secrets or dissemination of socially destabilizing content. If an Internet information service provider violates these measures, the MPS and the local security bureaus may revoke its operating license and shut down its websites.

In November 2016, the SCNPC promulgated the *Cyber Security Law of the PRC*, or the Cyber Security Law, which became effective on June 1, 2017. The Cyber Security Law requires that network operators, which include, among others, Internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as we are providing certain Internet services through our APP and website. The Cyber Security Law further requires Internet information service providers to formulate contingency plans for network security incidents, report to the competent departments immediately upon the occurrence of any incident endangering cyber security and take corresponding remedial measures. In addition, according to the Cyber Security Law, operators of key information infrastructures, which include public communications and information service, energy, transportation, water conservancy, financial industry, public services, e-government affairs and other important industries and fields, shall store personal information and important data gathered and produced during operations in the PRC within the territory of the PRC. Where such information and data need to be transmitted overseas based on commercial demand, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace administration authority in concert with the relevant departments under the State Council. On September 14, 2022, the CAC published the Decision on Amending the Cyber Security Law (Draft for Comments), pursuant to which the legal liabilities of violating the Cyber Security Law are strengthened. As of the date of this annual report, the period for public comment on this draft of the Cyber Security Law has ended while no official rules are issued.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review, or the Cybersecurity Review Measures, which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, besides the procurement of network products and services by critical information infrastructure operators, any data processing activities by network platform operators that affects or may affect national security shall be subject to the cybersecurity review as well. In accordance with the Cybersecurity Review Measures, operators mastering personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when they seek for listing in a foreign country. The CAC may voluntarily conduct cyber security review if any network products and services and activities of data process affects or may affect national security.

We may need to take certain security assessment measures on the personal data transmitted cross border. With respect to the risk of personal information and important data storage and cross border transmission, please refer to "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure – If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected."

The CSRC's *Administrative Measures for Network and Information Security in the Securities and Futures Industries*, which went into effect on May 1, 2023, regulate the network and information security of core institutions, operating institutions, and IT system service institutions in the industry. On August 6, 2023, the SAMR and the National Standardization Administration Committee jointly published the *Data Security Risk Prevention and Control for*

*Securities and Futures Industry—Guidelines of Data Classification (GB/T 42775-2023)*, which took effect on the same date, and describes the methods of classifying the data used or generated in the securities and futures industries. Although such specification is not a mandatory national standard but a recommended guideline, and it is not enforceable by law, the authority may use this standard to evaluate an entity's compliance with China's legal guidelines and regulations.

On March 17, 2023, the SAMR and the National Standardization Administration Committee announced the issuance of the *National Standards of the People's Republic of China (No. 1 of 2023)*, which contains 12 sets of national standards on cybersecurity under the National Technical Security Standardization Committee of China, or TC260, including the *Information Security Technology - Basic Requirements for Competence of Cybersecurity Workforce (GB/T 42446-2023)*.

On April 26, 2023, the amended *Counterespionage Law of the People's Republic of China* was promulgated which came into effect on July 1, 2023, establishing a close connection between data security and national security. It provides, among others, that engaging in the unauthorized provision of data or conducting cyberattacks against specific authorities is categorized as acts falling within the scope of espionage, and unlawfully acquiring or possessing documents, data, materials, or items that qualify as state secrets is strictly forbidden.

On May 29, 2023, the Secretariat of the National Information Security Standardization Technical Committee published the *Practice Guidelines for Cybersecurity Standards - Implementation Guidelines for Cyber Data Security Risk Assessment*, implementing the requirements of the *Data Security Law* on data security risk assessment, which outlines the approach, workflow and key components of the data security risk assessment, including data security management, data processing activities, data security technology, and personal information protection.

On December 8, 2023, the CAC promulgated the *Administrative Measures for the Reporting of Cybersecurity Incidents (for public comments)*, which imposed obligations on network platform operators to report to the in-charge cyberspace administration when an incident that might endanger network security occurred.

The Regulations on Network Data Security was promulgated by the State Council on September 24, 2024 and became effective on January 1, 2025, according to which, a network data handler may transmit personal information abroad if it meets any of the following conditions: (1) having passed the security assessment for data cross-border transmission organized by the state cyberspace administration; (2) having been certified by a specialized agency in respect of the protection of personal information in accordance with the provisions of the state cyberspace administration; (3) meeting the provisions on standard contract for cross-border transmission of personal information as developed by the state cyberspace administration; (4) necessary to provide personal information abroad in order to conclude or perform a contract to which it is a party; (5) necessary to provide personal information of employees abroad under the employment rules and regulations formulated in accordance with the law and collective contracts concluded in accordance with the law; (6) necessary to provide personal information abroad in order to perform statutory duties or obligations; (7) necessary to provide personal information abroad in order to protect the life, health and property security of natural persons in an emergency; and (8) other conditions provided for in laws, administrative regulations or by the state cyberspace administration. In addition, network data processors engaging in network data processing activities that affect or may affect national security shall undergo national security review.

*Regulations on Privacy Protection*

Internet information service providers are also required to maintain the integrity, confidentiality and availability of network data. The Cyber Security Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal data protection, such as the requirements on the collection, use, processing, storage and disclosure of personal data, and Internet information service providers being required to take technical and other necessary measures to ensure the security of the personal *information* they have collected and prevent the personal information from being divulged, damaged or lost. Any violation of the Cyber Security Law may subject the Internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites or criminal liabilities.

Under the *Several Provisions on Regulating the Market Order of Internet Information Services* issued by the MIIT in December 2011 and the Cyber Security Law, an Internet information service provider may not collect any user's

personal information or provide any such information to third parties without that user's consent, and it must also expressly inform that user of the method, content and purpose of the collection and processing of such user's personal information and may only collect such information as necessary for the provision of its services. In addition, pursuant to the *Decision on Strengthening Internet Information Protection* issued by the SCNPC in December 2012, the *Order for the Protection of Telecommunication and Internet User's Personal Information* issued by the MIIT in July 2013 and the Cyber Security Law, any collection and use of a user's personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An Internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying of any such information, or selling or providing such information to other parties. An Internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss. Any violation of these laws and regulations may subject the Internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities.

Pursuant to the *Ninth Amendment to the Criminal Law* issued by the SCNPC in August 2015 and becoming effective in November, 2015, any Internet service provider that fails to fulfill the obligations related to Internet information security administration as required by applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty for the result of (i) any dissemination of illegal information in large scale; (ii) any severe effect due to the leakage of the customer's information; (iii) any serious loss of criminal evidence; or (iv) other severe situation, and any individual or entity that (i) sells or provides personal information to others in a way violating the applicable law, or (ii) steals or illegally obtain any personal information, shall be subject to criminal penalty in severe situation.

In addition, the *Interpretations of the Supreme People's Court and the Supreme People's Procuratorate of the PRC on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringing Personal Information*, issued in May 2017 and effective June 2017, clarified certain standards for *the* conviction and sentencing of the criminals in relation to personal information infringement. Further, the NPC promulgated a new National Security Law, effective July 2015, to replace the former National Security Law and covers various types of national security including technology security and information security.

In November 2019, the Secretariat of the Cyberspace Administration of China, the General Office of the MIIT, the General Office of the Ministry of Public Security and the SAMR jointly promulgated the *Circular on Issuing the Methods for Identifying Unlawful Collection and Use of Personal Information of Applications*, which defines actions that may be regarded as violating the Network Security Law and other personal information protection related regulations, including, among other things, failure to publicize the rules for collection and use of personal information, failure to expressly state the purpose, manner and scope of collecting and using personal information, collection and use of personal information without consent of users, provision of personal information to others without consent, and failure to provide the function of deleting or correcting personal information as required by law. On March 12, 2021, the aforesaid four departments jointly promulgated the *Circular on Issuing the Provision on the Range of Personal Information Necessary for Common Types of Mobile Internet Application*, which came into effect on May 1, 2021. This circular defines specific information that 39 types of mobile internet application ("APP(s)"), including mobile applications and programs on mobile applications, such as WeChat Mini Program, may collect for the basic functions of such APPs.

On March 6, 2020, the SAMR and Standardization Administration of China, or SAC, jointly published the *Information Security Technology - Personal Information Security Specification (GB/T 35273-2020),* or the 2020 Specification, proposed by the National Information Security Standardization Technical Committee as an amendment to and replacement for the version published in November 2017 (GB/T 35273-2017). The 2020 Specification, which took effect on October 1, 2020, explains and reinforces the Cyber Security Law. Though the 2020 Specification is not a mandatory national standard but a recommended guideline, and it is not enforceable by law, the authority may use this standard to evaluate an entity's compliance with China's legal guidelines and regulations. The 2020 Specification outlines that "controllers" are those who collect personal information for providing a product or service. The "subject" is the individual or entity that provides the personal information to the controller. The 2020 Specification seeks to provide the subject with more autonomy in how and when they provide personal information to controllers. Although the 2020 Specification clarifies issues such as biometric data, multiple business functions, and explicit consent, it is still unclear to what extent the new standard will be enforced in China.

Furthermore, on August 20, 2021, the SCNPC promulgated the *Personal Information Protection Law,* or the Information Protection Law, which became effective on November 1, 2021. The Information Protection Law stipulates that the Cyberspace Administration of China is responsible for coordinating the protection of personal information and the related supervision and administration. The Information Protection Law also expressly stipulates that those who process personal information in violation of regulations or fail to take necessary security measures when processing personal information will be ordered to make corrections by the authority responsible for personal information protection, and given a warning, with their illegal gains confiscated. If the violator refuses to make corrections, it shall be subject to a fine of not more than RMB1.0 million. The person in charge directly responsible and other persons directly responsible shall be imposed a fine of not less than RMB10,000 but not more than RMB100,000. In case of any severe illegal acts as stipulated in the Information Protection Law, the violator shall be ordered to make corrections by the authority responsible for personal information protection, have its illegal gains confiscated and be subject to a fine of not more than RMB50.0 million or no more than 5% of the turnover in the previous year, as well as a suspension of the relevant business, suspension for rectification, revocation of relevant business permit or business license by the relevant competent authorities. The person in charge directly responsible and other persons directly responsible shall be imposed a fine of not less than RMB100.0 thousand but not more than RMB1.0 million.

The *Data Security Law of the People's Republic of China*, or the Data Security Law, was passed by the SCNPC on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the Internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

On July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer, or the Data Export Measures, which became effective on September 1, 2022. The Data Export Measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad. The security assessment requirement also applies to any transfer of important data outside of China. In December 2022, the MIIT released the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation), which came into effect on January 1, 2023. The Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation) requires the data processor in the field of industry and information technology to review data on a periodical basis, identify important data and core data in accordance with the relevant standards and specifications, and form its specific catalogue. The CAC has also issued the First Edition and the Second Edition of *Guidelines for Application for Security Assessment of Outbound Data Transfer* successively on August 31, 2022 and March 22, 2024, respectively, illustrating the specific requirements for declaration of the cross-border data security assessment, such as methods, processes and materials, and optimizes and simplifies the relevant materials that data processors need to submit.

On February 22, 2023, the CAC issued the Measures for the Standard Contract for the Outbound Transfer of Personal Information, or the Standard Contract Measures, which took effect on June 1, 2023. The Standard Contract Measures apply to the provision of personal information to overseas recipients through standard contract and set out detailed criteria relating to the formality and terms of such contracts. The Standard Contract Measures also require the personal information processor to file such contract with relevant authorities within 10 business days after the contract is effective. To regulate the application of the outboard transfer of personal information through standard contact, the CAC has promulgated the First Edition and the Second Edition of *Guidelines for the Recordation of the Standard Contracts for the Outbound Transfer of Personal Information* on May 30, 2023 and March 22, 2024.

On March 16, 2023, the TC260 released the draft national standards entitled *Information Security Technology - Certification Requirements for Cross-border Transmission of Personal Information*, for public comments, which sets out the basic principles and requirements for the protection of the rights and interests of personal information subjects in the cross-border transmission of personal information, and outlines the standards for the third-party certification of companies engaged in the cross-border transfer.

On August 8, 2023, the CAC released *the Provisions on Security Management of the Application of Face Recognition Technology (for Trial Implementation)*, for public comments, which aimed at enhancing the oversight and responsible use of face recognition technology and stipulates, among others, that that face recognition technology can only be used when there is a specific purpose and sufficient necessity, and strict protection measures must be implemented.

On March 22, 2024, the CAC issued the *Regulations on Promoting and Regulating the Cross-border Data Flow*, which stipulates the obligations of data processors with cross-border transfer of personal information, such as notification, obtaining individual consent, and conducting personal information protection impact assessments in accordance with laws and administrative regulations, and also sets out several exemptions, including cross-border data transfer (i) for concluding or performing a contract to which an individual is a party, (ii) for the cross-border HR management purpose according to the applicable internal labor rules and a collective contract entered into with the employees , (iii) to safeguard an individual's life, health or property in the event of an emergency, and (iv) if the handler is not classified as a critical information infrastructure operator, involving less than 100,000 people's non-sensitive personal information from January 1 of the current year.

On September 24, 2024, the Administrative Regulation of Network Data Security was released by the State Council and became effective on January 1, 2025, stipulates, among others, that a prior cybersecurity review is required for listing abroad of data processors which process over one million users' personal information, and the listing of data processors in Hong Kong which affects or may affect national security.

On September 24, 2024, the State Council published *the Regulations on Network Data Security Management* which came into force on January 1, 2025. This Regulation provides that the network data handlers shall be subject to national security review if their network data handling activities affect or may affect national security, and it provides no further explanation or interpretation as to how to determine what constitutes "affecting national security". In addition, the Regulations on Network Data Security Management requires network data handlers handling personal information involving over 10 million individuals to comply with certain regulations on important data handlers, including, among others, specifying the person in charge of network data security and the management organization for network data security, and conducting security background review of the person in charge of network data security and personnel in key positions and strengthen the training for the relevant personnel when controlling important data of specific type and scale specified by the relevant competent authority.

On February 12, 2025, the *Measures for the Administration of Personal Information Protection Compliance Audits* was issued by the CAC and will become effective on May 1, 2025, which stipulates that companies that process personal information of subjects in China shall undergo regular compliance audits.

***Regulations Relating to Overseas Offerings***

On July 6, 2021, the relevant PRC government authorities issued *Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law*. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies*, or the Overseas Listing Trial Measures and relevant five guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of Chinese mainland domestic companies' securities and regulates both direct and indirect overseas offering and listing of Chinese mainland domestic companies' securities by adopting a filing-based regulatory regime. It provides, among others, that an overseas securities company that serves as a sponsor or lead underwriter for overseas securities offering and listing by domestic companies shall file with the CSRC within ten (10) working days after signing its first engagement agreement for such business, and submit to the CSRC, no later than January 31 each year, an annual report on its business activities in the previous year associated with overseas securities offering and listing by domestic companies.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which,

among others, clarifies that (i) prior to the effective date of the Overseas Listing Trial Measures, Chinese mainland domestic companies that have already completed overseas listing shall be regarded as "existing companies", which are not required to fulfill filing procedure immediately but shall be required to complete the filing if such existing companies conduct refinancing in the future; and (ii) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources.

On February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, or the Confidentiality and Archives Administration Provisions, which took effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require, among others, that PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, complete approval and filing procedures to competent authorities, if such PRC domestic enterprises or its overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting files or copies shall be subject to corresponding procedures in accordance with relevant laws and regulations. Under the Confidentiality and Archives Administration Provisions, we may be required to complete relevant approval or filing procedures, or expend additional resources to comply with the Confidentiality and Archives Administration Provisions if we are recognized to fall within any of the foregoing circumstances. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for future capital-raising activities, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver.

***Regulations Relating to Anti-Monopoly***

According to the *Anti-Monopoly Law of the People's Republic of China,* or the Anti-Monopoly Law, which was promulgated by the SCNPC on August 30, 2007, amended on June 24, 2022, and the 2022 revision became effective on August 1, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in China as well as the monopolistic practices outside China which have exclusion or restriction effects on domestic market competition. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has an effect of eliminating or restricting competition. The agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law. The anti-monopoly enforcement agencies of the State Council may, according to work requirements, delegate relevant anti-monopoly enforcement tasks to the corresponding agencies of the people's governments of provinces, autonomous regions and centrally-administered municipalities pursuant to the provisions of Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law will be ordered by the enforcement agencies to stop the illegal act, be imposed a fine or be subject to other restrictive measures.

In order to prevent and curb the monopolistic conducts in the field of platform economy, the Anti-monopoly Commission of the State Council issued the *Guidelines to Anti-Monopoly in the Field of Internet Platforms* on February 7, 2021, which regulates the competition among Internet platforms. To determine the abuse of market dominance in the platform economy, first define the relevant market, analyze whether the operator has a dominant position in the relevant market, and then analyze whether it constitutes abuse of market dominance according to individual circumstances.

On March 10, 2023, the SAMR issued the *Provisions on Prohibiting the Abuse of Administrative Power to Eliminate and Restrict Competition*, the *Provisions on Anti-Monopoly Agreements*, the *Provisions on Prohibition of Abuse of Dominant Market Position*, and the *Regulations on the Review of Concentration of Undertakings*, all of which came into effect on April 15, 2023. These Provisions are promulgated to implement the Anti-Monopoly Law of the PRC, and further strengthen the anti-monopoly legal system.

***PRC Regulations Relating to Foreign Exchange***

*Regulations on Foreign Currency Exchange*

The core regulations governing foreign currency exchange in China are the *Foreign Exchange Administration Regulations*, as amended in August 2008. Certain organizations in the PRC, including foreign invested enterprises, may purchase, sell and/or remit foreign currencies at certain banks authorized to conduct foreign exchange business upon providing valid commercial documents. However, approval of SAFE, is required for capital account transactions.

In 2014, the SAFE decided to further reform the foreign exchange administration system in order to satisfy and facilitate the business and capital operations of foreign invested enterprises, and issued the *Circular on the Relevant Issues Concerning the Launch of Reforming Trial of the Administration Model of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises in Certain Areas* on July 4, 2014 or SAFE Circular 36. The SAFE Circular 36 suspends the application of the SAFE Circular 142 in certain areas and allows a foreign-invested enterprise registered in such areas to use the RMB capital converted from foreign currency registered capital for equity investments within the scope of business, which will be regarded as the reinvestment of foreign-invested enterprise. On March 30, 2015, the SAFE issued the *Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises*, or the SAFE Circular 19, which took effect on June 1, 2015, and replaced the SAFE Circular 142 and the SAFE Circular 36. According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretional Foreign Exchange Settlement. The Discretional Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated *account* and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

The SAFE issued the *Circular on Reforming and Regulating the Policies for the Administration of Foreign Exchange* Settlement *under the Capital Account*, or the SAFE Circular 16, in June 2016, which became effective simultaneously and was further revised in December, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a discretionary basis. The SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted Renminbi shall not be provided as loans to its non-affiliated entities. As the SAFE has not provided detailed guidelines with respect to its interpretation or implementations, it is uncertain how these rules will be interpreted and implemented.

In January 2017, the SAFE promulgated the *Circular on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance*, or the SAFE Circular 3, which took effect on the same day. The SAFE Circular 3 sets out various measures to tighten genuineness and compliance verification of cross-border transactions and cross-border capital flow, which include without limitation requiring banks to verify board resolutions, tax filing form, and audited financial statements before wiring foreign invested enterprises' foreign exchange distribution above US$50,000, and strengthening genuineness and compliance verification of foreign direct investments.

Our PRC subsidiaries' distributions to their offshore parents are required to comply with the requirements as described above.

*Regulations on Foreign Exchange Registration of Offshore Investment by PRC Residents*

PRC residents or entities who have contributed legitimate domestic or offshore interests or assets to the special purpose vehicles, or the "SPVs", but have yet to obtain the SAFE registration before the implementation of the Circular 37

shall register their ownership interests or control in such SPVs with the SAFE or its local branch. An amendment to the registration is required if there is a material change in the registered SPV, such as any change of basic information including change of such PRC resident's name and operation term, increases or decreases in investment amounts, transfers or exchanges of shares, or mergers or divisions. Failure to comply with the registration procedures set forth in Circular 37, or making misrepresentation or failure to disclose controllers of foreign-invested enterprise that is established through round-trip investment, may result in restrictions on the foreign exchange activities of the relevant foreign-invested enterprises, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under PRC foreign exchange administration regulations.

In February 2015, the SAFE further promulgated the *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment*, or the SAFE Circular 13, effective June 2015. This SAFE Circular 13 has amended the SAFE Circular 37 by requiring PRC residents or entities to register with qualified banks rather than the SAFE or its local branch in connection with their establishment or control of an offshore entity established for the *purpose* of overseas investment or financing. The SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. All of our shareholders who, to our knowledge, are subject to the above SAFE regulations have completed the necessary registrations with the local SAFE branch or qualified banks as required by the SAFE Circular 37.

Mr. Tianhua Wu and some other individual shareholders who indirectly hold shares in our company and who are known to us as being PRC residents had completed the necessary registrations with the local SAFE branch or qualified banks as required by the SAFE Circular 37 in relation to their investment in our company. See "Item 3. Key Information— Certain Risks Related to Our Chinese Operations and Operating Structure – We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations."

***PRC Regulations Relating to the Individual Foreign Exchange***

On December 25, 2006, the PBOC issued the *Administrative Measures for Individual Foreign Exchange*, or the PBOC Order 3, which took effect on February 1, 2007. In addition, on January 5, 2007, the SAFE promulgated the *Circular of the State Administration of Foreign Exchange on Issuing the Detailed Rules for the Implementation of the Measures for the Administration of Individual Foreign Exchange*, or the SAFE 2007 Circular 1, which took effect on the same day with the PBOC Order 3. Pursuant to the provision of the PBOC Order 3 and the 2007 Circular 1, individual foreign exchange businesses in the PRC can be classified into domestic and overseas individual foreign exchange businesses as per transaction, and current accounts and capital accounts as per transaction property. Annual quota management shall be implemented for individual settlement of exchange and individual foreign exchange purchase within the territory of the PRC. The annual quota for domestic individual's current accounts equivalent to US$50,000 (including US$50,000). In case the total amount of the foreign exchange remitted abroad from his/her foreign exchange savings account in a same day does not exceed the amount equivalent to US$50,000 (including US$50,000), he/she shall deal with it at a bank by presenting his/her valid identity certificate; if the total amount is more than the aforesaid amount, he/she shall handle it by presenting the authentic voucher under the current account indicating the trading volume. As for capital account, a domestic individual may purchase foreign exchange or remit abroad his/her self-owned foreign exchange upon the approval of the local foreign exchange department and shall conduct the corresponding formalities for the registration of foreign exchange for investing abroad. In March 2016, Beijing Rongke received an inquiring notice from the SAFE that required it to review and report the status of our customers' account opening and fund transfers on our platform. Beijing Rongke made a written submission to the SAFE, which clarified that, among others, (i) at that time, Beijing Rongke was a related party to Tiger Holdings Group Limited (already de-registered), both of which did not participate in the process of the foreign currency purchase by our customers, and (ii) Beijing Rongke was a technology company and Tiger Holdings Group Limited was a registered financial service provider in New Zealand. See Item 3.D "Risk Factor-Risks Related to Our Business and Industry-Violations of the relevant SAFE rules and regulations may give rise to regulatory inquiries, investigations or other actions, which may disrupt our business and could materially and adversely impact our results of operations and financial condition." We believe that we took necessary measures in response to such inquiry and as of the date of this report, we have not received any further similar inquiry or rectification requirement from the SAFE. However, we cannot assure you that the SAFE will take

the same view as us and do not expect a formal notice from the SAFE to inform us whether Beijing Rongke had satisfied the requirements in the aforementioned notice.

***Regulations Relating to Intellectual Property Rights***

*PRC Regulations for Copyright*

The *Copyright Law of the PRC*, promulgated in 1990 and amended in 2001 and 2010, or the Copyright Law, and its related implementing regulations, promulgated in 2002 and amended in 2013, are the principal laws and regulations governing the copyright related matters. On November 11, 2020, the SCNPC issued amendment to the Copyright Law, which became effective on June 1, 2021. The amended Copyright Law expands the scope of work protected by the copyright, the content of copyright, and the remedies for infringement of the copyright. Registration of copyright is voluntary, and it is administrated by the China Copyright Protection Center.

*PRC Regulations for Patent*

Pursuant to the *Patent Law of the PRC*, or the Patent Law, as amended in 2008, after the grant of the patent right for an invention or utility model, except where otherwise provided for in the Patent Law, no entity or individual may, without the authorization of the patent owner, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process, for production or business purposes. The *Detailed Rules for the Implementation of the Patent Law of the PRC*, as amend in 2023, promulgated by the State Council provide for patentable inventions, utility models and designs, which must meet three conditions: novelty, inventiveness and practical applicability. After a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, for production or business purposes, manufacture, offer to sell, sell, or import any product containing the patented design. Once the infringement of patent is confirmed, the infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action, and pay damages, etc. On October 17, 2020, the SCNPC issued amendment to the Patent Law, which became effective on June 1, 2021. The amended Patent Law expands the definition of appearance design, enhances the protection on appearance design, increases the amount of compensation for infringement, and extends the litigation period for infringement of patent.

*PRC Regulations for Trademark*

Pursuant to the *Trademark Law of the PRC*, as amended in 2013 and 2019, the right to exclusive use of a registered trademark shall be limited to trademarks which have been approved for registration and to goods for which the use of such trademark has been approved. The period of validity of a registered trademark shall be ten years, counted from the day the registration is approved. According to this law, using a trademark that is identical to or similar to a registered trademark in connection with the same or similar goods without the authorization of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action, and pay damages, etc. See Item 3.D “Risk Factors-Risks Related to Our Business and Industry-We may not be able to protect our intellectual property rights.”

*PRC Regulations for Domain Name*

Pursuant to the *Measures for the Administration of Internet Domain Names* promulgated on August 24, 2017 and effective on November 1, 2017, the “domain name” shall refer to the character mark of hierarchical structure, which identifies and locates a computer on the Internet and corresponds to the Internet protocol address of that computer. The principle of “first come, first serve” is followed for the domain name registration service. After completing the domain name registration, the applicant becomes the holder of the domain name registered by the same. Any organization or individual may file an application for settlement with the domain names dispute resolution institution or file a lawsuit in the PRC courts in accordance with the PRC law, if such organization or individual consider the domain names registered or used by others infringe upon the legal rights and interests of the former.

***PRC Regulations Relating to Dividend Distribution***

The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include the *Wholly Foreign-Owned Enterprise Law* issued in 1986 and most recently amended in 2016, and the *Detailed Rules for the Implementation of the Law of the People's Republic of China on Wholly Foreign-owned Enterprises* issued in 1990 and most recently amended in 2014 , both of which have been superseded from January 1, 2020 by the FIL and FIL Implementation Rules, and the Company Law of the People's Republic of China issued in 1999 and most recently amended in 2023. Under these regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations, provided that, a wholly foreign-owned enterprise in China shall firstly set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve funds reaches 50% of its registered capital. These reserve funds, however, may not be distributed as cash dividends.

**Certain Summary Financial Information Regarding the Company, Its Subsidiaries, and Consolidated VIEs**

***Cash Flows Among the Company, Its Subsidiaries, and Consolidated VIEs***

The Group's main revenues were mostly generated from our wholly owned subsidiaries in New Zealand, Singapore and the United States for the years ended December 31, 2022, 2023 and 2024. Most of the consolidated VIEs and their subsidiaries operate business in the PRC and their main functions are to support our Licensed Entities. Certain of the costs generated by VIEs and their subsidiaries are covered by these Licensed Entities through inter-company transactions, and we expect that the Licensed Entities will cover a substantial majority of such costs in the future. In general, the holding company transfers funds from financing (including funds from its IPO, follow-on equity offerings, and offerings of convertible bonds, as applicable) to Licensed Entities in the form of capital injections or loans in order to support their business expansion. These Licensed Entities pay the consolidated VIEs and their subsidiaries periodically for the services rendered through inter-company transactions, pursuant to the terms of the contractual arrangements between them. The Group currently does not have any cash management policies specifically governing these transfers between VIE and subsidiaries. Instead, we are guided by the contractual arrangements to which we are a party and, to the extent permissible under those contractual arrangements, the discretion of our management. To date, we have not experienced difficulty in transferring cash to or from the holding company, the subsidiaries, the VIEs, and investors. However, there is no assurance that the PRC government will not regulate transfer of cash.

To illustrate cash flows among the holding company, its subsidiaries, and consolidated VIEs by type, please refer to the following tables (all in US$ thousands):

- Cash flow between holding company and Subsidiaries:

| Fiscal Year ended December 31 | 2022 | 2023 | 2024 |
|---|---|---|---|
| Net increase (decrease) of Loans to Subsidiaries | 950 | (6,721) | (13,087) |
| Capital Injections to Subsidiaries | 13,000 | 11,300 | 104,495 |

- Cash flow between holding company and VIEs:

| Fiscal Year ended December 31 | 2022 | 2023 | 2024 |
|---|---|---|---|
| Net increase of Loans to VIEs | 97 | 69 | 547 |

- Cash flow between Subsidiaries and VIEs:

| Fiscal Year ended December 31 | 2022 | 2023 | 2024 |
|---|---|---|---|
| Net increase (decrease) of Loans to VIEs | (452) | (4,185) | 1,320 |
| Service Fees Paid to VIEs | 40,371 | 23,158 | 19,439 |

Our subsidiaries and the consolidated VIEs did not declare or distribute any dividends or distributions for the years ended December 31, 2022, 2023 and 2024. Additionally, the holding company did not declare nor distribute any dividends or distribution for the years ended December 31, 2022, 2023 and 2024.

***Condensed Consolidated Financial Information relating to the VIEs***

**As of and for the year ended December 31, 2024:**

| | Parent | VIEs[1] | Subsidiaries | eliminating adjustments | Consolidated[2] |
|---|---|---|---|---|---|
| Current assets | 138,828,398 | 59,584,580 | 6,318,183,323 | (188,649,814) | 6,327,946,487 |
| Non-current assets | 676,351,458 | 8,219,993 | 55,047,276 | (676,252,745) | 63,365,982 |
| Total assets | 815,179,856 | 67,804,573 | 6,373,230,599 | (864,902,559) | 6,391,312,469 |
| Current liabilities | 440,445 | 28,658,433 | 5,721,789,201 | (189,175,740) | 5,561,712,339 |
| Non-current liabilities | 159,505,397 | 1,319,839 | 6,651,145 | — | 167,476,381 |
| Total liabilities | 159,945,842 | 29,978,272 | 5,728,440,346 | (189,175,740) | 5,729,188,720 |
| | | | | | |
| Total revenues | 2,506,026 | 28,432,186 | 388,828,707 | (28,225,490) | 391,541,429 |
| Net income (loss) | 60,727,920 | (1,185,593) | 63,340,633 | (61,529,032) | 61,353,928 |
| | | | | | |
| Net cash provided by (used in) operating activities | 2,065,750 | (2,599,577) | 828,512,079 | — | 827,978,252 |
| Net cash (used in) provided by investing activities | (91,954,896) | 1,626,555 | (10,893,902) | 92,565,498 | (8,656,745) |
| Net cash provided by (used in) financing activities | 103,827,422 | 1,011,823 | 91,553,675 | (92,565,498) | 103,827,422 |

(1) The disclosed amounts of the VIEs were before elimination adjustments of intercompany transactions within the Group. See Note 1 to our audited consolidated financial statements for more information of the VIEs.

(2) The disclosed amounts were agreed to or recalculated from our audited consolidated financial statements.

**As of and for the year ended December 31, 2023:**

| | Parent | VIEs[1] | Subsidiaries | eliminating adjustments | Consolidated[2] |
|---|---|---|---|---|---|
| Current assets | 144,956,799 | 53,313,297 | 3,688,745,087 | (197,043,081) | 3,689,972,102 |
| Non-current assets | 502,099,724 | 11,399,140 | 44,595,861 | (502,019,724) | 56,075,001 |
| Total assets | 647,056,523 | 64,712,437 | 3,733,340,948 | (699,062,805) | 3,746,047,103 |
| Current liabilities | 1,192,454 | 26,976,594 | 3,256,754,764 | (199,361,543) | 3,085,562,269 |
| Non-current liabilities | 156,887,691 | 74,638 | 8,100,327 | — | 165,062,656 |
| Total liabilities | 158,080,145 | 27,051,232 | 3,264,855,091 | (199,361,543) | 3,250,624,925 |
| | | | | | |
| Total revenues | 2,921,100 | 24,775,979 | 266,800,356 | (21,989,840) | 272,507,595 |
| Net income (loss) | 32,563,525 | (4,204,124) | 38,343,738 | (33,695,712) | 33,007,427 |
| | | | | | |
| Net cash used in operating activities | (247,153) | (205,895) | (6,113,306) | — | (6,566,354) |
| Net cash (used in) provided by investing activities | (5,127,961) | (6,169,149) | (3,092,501) | 6,639,051 | (7,750,560) |
| Net cash provided by (used in) financing activities | 140,385 | 402,292 | 7,916,793 | (6,639,051) | 1,820,419 |

(1) The disclosed amounts of the VIEs were before elimination adjustments of intercompany transactions within the Group. See Note 1 to our audited consolidated financial statements for more information of the VIEs.

(2) The disclosed amounts were agreed to or recalculated from our audited consolidated financial statements.

**For the year ended December 31, 2022:**

| | Parent | VIEs[1] | Subsidiaries | eliminating adjustments | Consolidated[2] |
|---|---|---|---|---|---|
| Current assets | 156,457,176 | 58,095,337 | 3,728,088,018 | (204,061,664) | 3,738,578,867 |
| Non-current assets | 447,647,877 | 12,145,470 | 46,556,051 | (447,567,877) | 58,781,521 |
| Total assets | 604,105,053 | 70,240,807 | 3,774,644,069 | (651,629,541) | 3,797,360,388 |
| Current liabilities | 2,249,610 | 29,848,034 | 3,353,074,361 | (204,615,982) | 3,180,556,023 |
| Non-current liabilities | 154,725,906 | 640,527 | 9,809,298 | — | 165,175,731 |
| Total liabilities | 156,975,516 | 30,488,561 | 3,362,883,659 | (204,615,982) | 3,345,731,754 |
| | | | | | |
| Total revenues | 1,706,054 | 44,382,701 | 220,243,411 | (40,966,619) | 225,365,547 |
| Net (loss) income | (2,186,441) | (8,220,848) | 9,178,824 | (1,028,415) | (2,256,880) |
| | | | | | |
| Net cash provided by (used in) operating activities | 613,623 | (1,552,547) | 258,999,523 | — | 258,060,599 |
| Net cash (used in) provided by investing activities | (14,271,671) | (416,486) | (2,022,732) | 13,098,888 | (3,612,001) |
| Net cash provided by (used in) financing activities | 366,540 | 3,760,937 | 13,701,872 | (13,098,888) | 4,730,461 |

(1) The disclosed amounts of the VIEs were before elimination adjustments of intercompany transactions within the Group. See Note 1 to our audited consolidated financial statements for more information of the VIEs.

(2) The disclosed amounts were agreed to or recalculated from our audited consolidated financial statements.

***A. [Reserved]***

***B. Capitalization and Indebtedness***

Not applicable.

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

Not applicable.

***D. Risk Factors***

The following risks should be considered in conjunction with the information set forth above under the headings "Forward-Looking Statements" and "Item 3. Key Information" and below under "Item 5. Operating and Financial Review and Prospects." These risks may affect the Company's operating results and, individually or in the aggregate, could cause its actual results to differ materially from past and anticipated future results. The following discussion of risks may contain forward-looking statements which are intended to be covered by the Safe Harbor Statement. Except as may be required by law, the Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. The Company invites you to consult any further related disclosures made by the Company from time to time in materials filed with or furnished to the Securities and Exchange Commission, or the SEC.

We are subject to multiple risks arising from our corporate structure, including our status as a holding company incorporated in the Cayman Islands that conducts a portion of our business through China-based VIEs with which we have only contractual relationships and in which we do not own an equity interest, and our operations in China, including potential actions or decisions by PRC or U.S. regulatory authorities restricting or affecting our business activities in the PRC or our access to U.S. capital markets. Certain of these risks, as well as other information relating to our corporate structure and operations in China, are highlighted above under "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure" and are summarized immediately below. These risks are incorporated by reference in this "Item 3. Key Information – D. Risk Factors."

We are subject to additional risks as a result of doing business in China, as described in more detail below under the heading "Risks Related to Doing Business in China."

**Risks Related to Our Business and Industry**

***We have a limited operating history and our historical financial, operating results and growth rates may not be indicative of future performance.***

We have a limited operating history. We launched our trading platform in August 2015 and have experienced rapid growth since then. Our total revenues increased from US$225.4 million in 2022 to US$272.5 million in 2023 and increased to US$391.5 million in 2024. We incurred net losses of US$2.3 million in 2022, as a result of the challenging macro environment in 2022; however, we generated net income of US$33.0 million and US$61.4 million in 2023 and 2024, respectively, driven by executing internationalization strategy and building a resilient business model with healthier operating leverage. We expect our business expansion to continue as we grow our customer base and explore new market opportunities. However, due to our limited operating history, our historical growth rates may not be indicative of our future performance. We cannot assure you that we will grow at the same rate and succeed in introducing new services and products as we did in the past. Further, we may fail to adjust our business model to our development needs or the requirements of this ever-changing industry. You should consider our prospects in light of the risks and uncertainties that a fast-growing company with a limited operating history may be exposed to or encounter.

***We have incurred net losses in the past and may incur losses in the future.***

We incurred net losses of US$2.3 million in 2022, but we generated net income of US$33.0 million in 2023 and US$61.4 million in 2024. We have made significant investments in research and development, employee compensation and benefits, communication and market data, and marketing and branding to rapidly develop and expand our business. We expect to continue or increase such investments to establish and expand our business, and these investments may not result in an increase in revenue or positive cash inflow from operations in a timely manner, or at all.

We may incur substantial losses for a number of reasons, including the lack of a larger customer base, as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications and delays in generating revenues or achieving profitability. We may also incur net losses in the future due to changes in the macroeconomic and regulatory environment, competitive dynamics and our inability to respond to these changes in a timely and effective manner. If we are unable to maintain profitability, we may have to reduce the scale of our operations, which may impact our business growth and adversely affect our financial condition and results of operations.

***Non-compliance with applicable laws in the jurisdictions in which we operate could harm our business, reputation, financial condition and results of operations.***

The businesses of securities and other financial instruments are heavily regulated. Our brokerage business is subject to regulations in the United States, Singapore, New Zealand, Australia, Hong Kong and other jurisdictions in which we offer our products and services. Major regulatory bodies include, among others, in the United States, the Financial Industry Regulatory Authority, or FINRA, the U.S. Securities and Exchange Commission, or the SEC, and the Commodity Futures Trading Commission, or the CFTC; in Singapore, the Monetary Authority of Singapore, or the MAS; in New Zealand, the Financial Markets Authority New Zealand, or the FMA, and the Financial Service Providers Register, or the FSPR; in Australia, the Australian Securities and Investments Commission, or ASIC; in Hong Kong, the Securities and Futures Commission or SFC. Domestic and foreign stock exchanges, other self-regulatory organizations and state and foreign securities commissions can censure, fine, issue cease-and-desist orders, suspend or expel a broker and its officers or employees. For instance, Tiger Brokers SG underwent one inspection by Singapore Exchange ("SGX") on securities margin financing, risk management, risk-based capital, trust account and segregation of customer funds, liquidity, and funding. The SGX has completed the inspection. We have since engaged an independent auditor to support the remediation process to ensure that all identified areas have been addressed in a robust and compliant manner. As of the date of this report, the majority of the audit points identified in the inspection have been remediated. Additionally, from January 2019 to November 2021, US Tiger Securities, Inc. (US Tiger Securities) failed to retain and review communications on an electronic messaging platform. Separately, between November 2019 and March 2021 (for US Tiger Securities) and April 2021 to June 2023 (for TradeUP Securities Inc. (TradeUP Securities)), both firms had deficiencies in the design of their anti-money laundering, or AML procedures as well as inadequate AML risk due diligence practices. In April 2025, US Tiger Securities and TradeUP Securities reached a final settlement with FINRA, accepting a censure and monetary fines of $250,000 and $700,000, respectively. Additionally, TradeUP Securities will engage an independent third-party consultant to further review and monitor its compliance improvement progress. The firms permanently discontinued use of the referenced messaging platform in November 2021 and implemented significant institutional and technical measures to strengthen their AML programs and enhance due diligence reviews for high-risk accounts. Separately, in 2024, TradeUP Securities reached a resolution with FINRA regarding short interest positions and was fined $300,000 for failing to submit the short interest reports between 2021 and 2023. TradeUP Securities consented to the findings that it failed to report its short interest positions. It also implemented new procedures to ensure the accuracy and timely submission of the reporting and updated its Written Supervisory Procedures Checklist to address short interest reporting requirements. Should any significant sanctions, including significant fines, be levied on us or our affiliates, officers or employees, such sanctions could have significant adverse impact on us. Non-compliance with applicable laws or regulations could result in sanctions to be levied against us, including fines and censures, suspension or expulsion from a certain jurisdiction or market or the revocation or limitation of licenses, which could have a significant adverse effect on our reputation, prospects, revenues and earnings.

Furthermore, securities brokerage firms are subject to numerous conflicts of interest or perceived conflicts of interest, over which federal and state regulators and self-regulatory organizations have increased their scrutiny. Addressing

conflicts of interest is a complex and difficult undertaking. Our business and reputation could be harmed if we were to fail, or appear to fail, to address conflicts appropriately.

In addition, we use the Internet and mobile network as a major distribution channel to provide services to our customers. A number of regulatory agencies have adopted regulations regarding customer privacy, system security and safeguarding practices and the use of customer information by service providers. Additional laws and regulations relating to the Internet and mobile network and safeguarding practices could be adopted in the future, including laws related to access and identity theft and regulations regarding the pricing, taxation, content and quality of products and services delivered over the Internet and mobile network. Complying with these laws and regulations may be expensive and time-consuming and could limit our ability to use the Internet and mobile network as a distribution channel, which would have a material adverse effect on our business and profitability.

Our ability to comply with all applicable laws and rules is largely dependent on our internal and third party vendors' system to ensure compliance, as well as our ability to attract and retain qualified compliance personnel. While we maintain systems and procedures designed to ensure that we comply with applicable laws and regulations, violations could still occur. Some legal and regulatory frameworks provide for the imposition of fines or penalties for non-compliance even though the non-compliance was inadvertent or unintentional and even though systems and procedures reasonably designed to prevent violations were in place at the time. There may be other negative consequences resulting from a finding of non-compliance, including restrictions on certain activities. Such a finding may also damage our reputation and our relationships with regulators and could restrict the ability of institutional investment managers to invest in our securities.

***We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our activities in multiple jurisdictions and related to residents therein, especially in China or otherwise related to PRC residents.***

We operate in a heavily-regulated industry which requires various licenses, permits and approvals in different jurisdictions to conduct our businesses. Our customers include people who live in jurisdictions where we do not have licenses issued by the local regulatory bodies. It is possible that authorities in those jurisdictions may take the position that we are required to obtain licenses or otherwise comply with laws and regulations which we believe are not required or applicable to our business activities. If we fail to comply with the regulatory requirements, we may encounter the risk of being disqualified for our existing businesses or being rejected for renewal of our qualifications upon expiry by the regulatory authorities as well as other penalties, fines or sanctions. In addition, in respect of any new business that we may contemplate, we may not be able to obtain the relevant approvals for developing such new business if we fail to comply with the relevant regulations and regulatory requirements. As a result, we may fail to develop new business as planned, or we may fall behind our competitors in such businesses.

In addition, a significant portion of our technology research and development, management, supporting and other teams are based in China and a significant portion of our customers are Chinese speaking people including PRC citizens. Our PRC subsidiaries and the VIEs work closely with and provide significant supporting services for our trading platform outside of China as well as teams in New Zealand, Hong Kong, Singapore, the United States and Australia.

In July 2016, the CSRC posted an investor alert on its website warning investors that except for certain investment channels approved by the CSRC under the PRC laws, the CSRC has not approved any domestic or foreign institutions to provide services for domestic investors to participate in overseas securities trading. In September 2016, we received a rectification notice issued by the Beijing branch of the CSRC. Following such notice, we took certain rectification measures in order to comply with the requirements set forth therein, and we provided written responses to such authority promptly. We communicate with the Beijing branch of the CSRC from time to time to ensure our business follow their requirements.

On December 30, 2022, the CSRC issued the CSRC 1230 Notice, stating that we had been carried out cross-border securities business for Chinese mainland investors without approval of the CSRC, and such activities constitute illegal operation of securities business under the Securities Law of the PRC. The CSRC 1230 Notice set out two principal rectification requirements. (i) We should stop all incremental illegal operations in Chinese mainland, such as soliciting and developing any new Chinese mainland customers or opening new securities accounts for them; and (ii) We should

properly handle the existing accounts held by Chinese mainland investors by allowing them to continue their transactions through such accounts. However, we are strictly prohibited from accepting any incremental funds that violate PRC foreign exchange regulations to such existing accounts. Furthermore, on February 15, 2023, the CSRC published its official reply in response to the public attention on the CSRC 1230 Notice, emphasizing its core requirements of "prohibiting incremental illegal business effectively and solving existing issues properly" in order to regulate our business operations in Chinese mainland. We have been actively and may continue to be in cooperation with CSRC to satisfy 1230 Notice and meet the rectification requirements set out under CSRC 1230 Notice. Starting from May 18, 2023, our APP "Tiger International" has been removed from the PRC application market. Besides, we cannot rule out the possibility that we may take the initiative to adopt applicable rectification measures in the future to further curb incremental Chinese mainland domestic users and meet the requirements of the CSRC.

However, if the CSRC is not satisfied with our rectification measures or the CSRC imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected. Furthermore, new laws and regulations in connection with our business activities may be adopted from time to time. While we will make best efforts to continue to fulfill the requirements under any applicable future PRC laws and regulations, there may be uncertainties regarding the interpretation and application of current or any future PRC laws and regulations applicable to our business and the PRC government or other governmental authorities may ultimately take a view that is inconsistent with our opinion.

For more details of the notice and our rectification measures, please see "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business." However, we cannot assure you that we will not be subject to further investigation or scrutiny from regulators. If we are required to make further rectifications, our business and financial condition could be materially and adversely affected. If we fail to receive required permits in a timely manner or at all, or obtain or renew any permits and certificates, we may be subject to fines, confiscation of the gains derived from our non-compliant activities, suspension of our non-compliant activities or claims for compensation of any economic loss suffered by our customers or other relevant parties.

***If we fail to maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of the ADSs may be materially and adversely affected.***

Prior to our initial public offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls. In 2019 and 2020, we and our independent registered public accounting firms identified a material weakness in our internal controls. A material weakness is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified related to our lack of sufficient and competent accounting and financial reporting personnel with appropriate knowledge of U.S. GAAP to design and implement robust period-end financial reporting policies and procedures for the preparation of consolidated financial statements and related disclosures in accordance with U.S. GAAP and the financial reporting requirements set forth by the SEC. In the past, we made certain corrections to our interim financial reporting. While, as of December 31, 2024, based on our management's assessment on the performance of the remediation measures, we determined that the material weakness had been remediated, and no material weakness existed as of December 31, 2024. In the future we may determine that we have additional material weaknesses, or our independent registered public accounting firm may disagree with our management assessment of the effectiveness of our internal controls.

We are subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F. In addition, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting.

Our management has concluded that our internal control over financial reporting was effective as of December 31, 2024. See "Item 15. Controls and Procedures —Management's Annual Report on Internal Control over Financial Reporting." However, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 and our

independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements for prior periods. Furthermore, we have incurred and anticipate that we will continue to incur considerable costs, management time and other resources in an effort to comply with Section 404 of the Sarbanes-Oxley Act and other requirements.

***Violations of the relevant SAFE rules and regulations may give rise to regulatory inquiries, investigations or other actions, which may disrupt our business and could materially and adversely impact our results of operations and financial condition.***

A significant portion of our customers are PRC citizens resident in China and are therefore subject to the restrictions imposed by the applicable rules and regulations promulgated by the State Administration of Foreign Exchange, or the SAFE, regarding the conversion of Renminbi into foreign currencies and the remittance and use of such funds outside China. Under the current PRC foreign exchange regulations, each PRC citizen is permitted to convert up to an aggregate of US$50,000 equivalent Renminbi each year for appropriate personal use. Such appropriate use does not include direct investment into secondary stock markets. PRC citizens who intend to convert U.S. dollars exceeding such quota are required to go through additional application and review procedures with the relevant commercial banks designated by the SAFE. Despite our emphasis on our customers' compliance with the relevant rules and regulations in the agreements with customers on our platform, we cannot assure you that our customers will follow the rules and regulations and the provisions in our agreements at all times. Any misbehavior or violation of our customers of applicable laws and regulations could lead to regulatory inquiries and investigations that involve us, which may affect our prospects.

In connection with our customers' transfer of funds, in March 2016, we received a notice from the SAFE requiring us to review and report situations regarding our customers' account opening and fund transfers on our platform. Thereafter, the regulator conducted an onsite inspection collecting information on our customers' compliance with the relevant SAFE rules and regulations since the inception of our business. We submitted the relevant materials as requested by the regulator by the end of March 2016. In December 2016, the SAFE made another visit to our company and we submitted some additional documents per its requirements. As of the date of this report, we have not received any further inquiries or notices from the SAFE regulators. For more details of the notice aforementioned and our measures in response thereto, please see "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business." Since the PRC authorities and the commercial banks designated by the SAFE to conduct foreign exchange services have significant amount of discretion in interpreting, implementing and enforcing the relevant foreign exchange rules and regulations, and for many other factors that are beyond our control and anticipation, we may face more severe consequences, including but not limited to being asked to take additional and burdensome measures to monitor the source and use of the foreign currency funds in the accounts of our customers or suspend our operations pending an investigation or indefinitely. As a result, our business, results of operations and financial condition may be materially and adversely affected.

***Any future change in the regulatory and legal regime for the securities brokerage industry may have a significant impact on our business model.***

Firms in the securities brokerage industry have been subject to an increasingly regulated environment over recent years, and penalties and fines sought by regulatory authorities have also increased. This regulatory and enforcement environment has created uncertainties with respect to various types of products and services that historically had been offered by us and that were generally believed to be permissible and appropriate. Our model of operation and profitability may be directly affected by legislative changes in rules promulgated by government agencies and self-regulatory organizations in various jurisdictions that oversee our businesses, and changes in the interpretation or enforcement of existing laws and rules, such as the potential imposition of transaction taxes.

In addition, to continue to operate and expand our services internationally, we may have to comply with the regulatory controls of each jurisdiction where we conduct, or intend to conduct business, the requirements of which may not be clearly defined. The varying compliance requirements of these different regulatory jurisdictions, which are often unclear, may limit our ability to continue existing international operations and further expand our business internationally. For example, we face significant legal uncertainties as to whether the CSRC would require us to get certain licenses or permits relating to our activities in China given the fact that most of our technology, customer services and administrative teams are based in China, or whether the CSRC would view our current or previous business operations in China as non-compliant with the relevant regulatory regime. See Item 3.D "Risk Factors - Risks Related to Our Business and Industry-We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our activities in multiple jurisdictions and related to residents therein, especially in China or otherwise related to PRC residents." We could be subject to disciplinary or other actions in the future due to claimed or deemed non-compliant, which could have a material adverse effect on our business, financial condition and results of operations as further described under "-Non-compliance with applicable laws in certain jurisdictions could harm our business, reputation, financial condition and results of operations."

***Accusations or claims against us may adversely affect our business operations and reputation.***

We have been involved in cases or claims such as infringements upon reputation and intellectual property rights allegedly conducted by users on our platform, and portraiture right infringements based on the fact that we list some of our shareholders on our website. For other examples, please see Item 3.D "Risk Factors - Risks Related to Our Business and Industry-We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our activities in multiple jurisdictions and related to residents therein, especially in China or otherwise related to PRC residents." Although the records of investigations or accusations did not necessarily lead to sanctions against us in a direct way, these historical records might be accessed online or offline, which could adversely affect our business operations and reputation, and thus further affect our progress if we decide to enter into new markets in these jurisdictions.

***A portion of our business currently relies mostly on collaboration with Interactive Brokers. Our business will be adversely impacted if we are unable to maintain our relationship with Interactive Brokers.***

We currently rely on Interactive Brokers to execute, settle and clear a portion of the trades of the U.S. and Hong Kong stocks and other financial instruments, and to comply with certain federal, state and other laws, as discussed more fully in Item 4.B "Business Overview-Our Core Products and Services-Brokerage Services." For the years ended December 31, 2022, 2023, and 2024, 24.3%, 16.6%, and 10.6% of our total net revenues were executed and cleared by Interactive Brokers. For consolidated accounts, the information of which is not fully disclosed to Interactive Brokers, we receive commission fees and direct a pre-determined portion to Interactive Brokers. For fully disclosed accounts, every time Interactive Brokers executes and clears a trade, it collects the commissions, deducts its pre-determined portion and returns the rest of the commission fees to us. Customers can also trade on margin and short sell securities on our trading platform. We generate interest income arising from margin financing offered by us to consolidated account customers and earn financing service fees related to the margin financing provided by Interactive Brokers to fully disclosed account customers.

In the event that our relationship with Interactive Brokers deteriorates, or if Interactive Brokers were to suspend, limit, or cease its operations, we may need to enter into alternative arrangements with different clearing agents or further increase our self-clearing of trades. To date, we have not frequently used any other backup clearing agents for execution and clearing services to the extent we use Interactive Brokers. Our relationships with such clearing agents are subject to a number of risks and may be subject to change or termination with appropriate notice.

Our relationship with Interactive Brokers has historically been critical to our business and remains important to our business. If we need to enter into alternative arrangements with a different clearing agent to replace our existing arrangements, we may not be able to negotiate a favorable alternative arrangement. Transitioning to a new clearing agent or increasing self-clearing through TradeUP Securities are time-consuming and may affect the user experience or, if our platform becomes inoperable, may result in our inability to facilitate trades through our platform. We would also need to comply with applicable laws regarding execution and clearing services, which would be costly and

time-consuming. If we are unsuccessful in maintaining our relationships with Interactive Brokers, our operating cost and expenses might increase, which may materially and adversely affect our financial condition and results of operations.

***Self-clearing exposes us to significant operational, liquidity, financing and regulatory risks.***

We began self-clearing a portion of the trades of the U.S. stocks and other financial instruments in the third quarter of 2019, following our acquisition of TradeUP Securities. Nowadays, we self-clear a majority of U.S. and Hong Kong cash equities trades and we expect to increase further in the future the proportion of such trades that we self-clear. Self-clearing requires us to finance transactions and maintain margin deposits at clearing organizations.

Clearing and execution services include the confirmation, receipt, settlement, delivery and record-keeping functions involved in securities transactions. Clearing brokers also assume direct responsibility for the possession or control of client securities and other assets and the clearing of client securities transactions. However, clearing brokers also must rely on third-party clearing organizations, such as the Depositary Trust Clearing Corporation and its subsidiaries in the United States, in settling client securities transactions. Clearing brokers are also responsible for protecting client assets and complying with relevant customer protecting regulations. Clearing securities firms, such as TradeUP Securities, are subject to substantially more regulatory oversight and examination than introducing brokers who rely on others to perform clearing functions. Errors in performing clearing functions, including clerical and other errors related to the handling of funds and securities held by us on behalf of clients, could lead to regulatory fines and civil penalties as well as losses and liability in related legal proceedings brought by clients and others.

We may be required to finance our clients' unsettled positions and we could be held financially liable for the defaults of our clients. Although these obligations are collateralized, we are subject to market risk in the liquidation of customer collateral to satisfy those obligations. Default by our clients may also give rise to our incurring penalties imposed by execution venues, regulatory authorities and clearing and settlement organizations.

Regulatory agencies have required clearing and settlement organizations to increase the level of margin deposit requirements and they may continue to do so in the future. Growth in trading activity may lead to higher regulatory capital requirements. We cannot assure you that these capital requirements will be sufficient to protect market participants from a default or that we will not be adversely affected in the event of a significant default.

As a result, self-clearing exposes our business to operational risks, including business and technology disruption; operational inefficiencies; liquidity, financing and regulatory risks; and potentially increased expenses. We may encounter difficulties with self-clearing that lead to operating inefficiencies, technology issues, dissatisfaction amongst our client base, disruption in the infrastructure that supports the business, inadequate liquidity, increased margin requirements with clearing organizations and third-party settlement agents who provide financing with respect to transactions, reductions in available borrowing capacity and financial loss. Any such delay, disruption, expense or failure could adversely affect our ability to effect transactions and manage our exposure to risk. Moreover, any of these events could have a material adverse effect on our business, financial condition and operating results.

***If we are unable to develop a diverse customer base and offer new and innovative products and services, our business, financial condition and results of operation may be negatively impacted.***

Historically, we generated a significant portion of revenues through the provision of online brokerage services including commissions for execution of trades and interest income or financing service fees arising from or related to margin financing for our customers. Key success factors of the online brokerage industry include expansion of products and services that add value to customers, acquisition of licenses in different jurisdictions and enhancement of user experience. We intend to continue strengthening the innovation, security, efficiency and effectiveness of our brokerage services, including our user-friendly interface, comprehensive functionalities and customer service capabilities and to expand our service offerings to institutional customers and increase the proportion of revenues generated from them. We have developed customized application programming interface, or API, for our institutional customers. As institutional customers tend to trade more consistently and demand a wider spectrum of services as compared to individual investors, we strive to foster long-term partnerships with them and to grow our revenue streams substantially as a result of greater number of institutional customers utilizing our trading platform and services. We cannot guarantee that we will be successful in expanding our customer base, and if we are unable to do so, our growth prospects, financial condition and results of operation may be adversely affected.

We also plan to continue integrating value-added services, including asset management and wealth management services as well as institutional and corporate services to improve popularity and enhance customer stickiness and diversify revenue streams. As we provide a wider array of services, including ESOP, asset management and wealth management services, we expect to attract more institutional and corporate customers to engage us to provide such services and in turn generate more revenues. We expect our operating cost and expenses to continue to increase. If we are unable to develop products and services that attract sufficient customers, our business, financial condition and results of operation may be adversely affected.

***If we are unable to operate in a cost-effective manner, our results of operation may be negatively impacted.***

Our ability to control costs and expenses relating to our operations affects our profitability. With the expansion of our business, we expect our operating cost and expenses to continue to increase, including employee compensation and benefits, marketing and branding and other costs and expenses. The salary level in the fintech industry in and outside China has generally increased in recent years, and we offer competitive wages and other benefits to recruit and retain quality professionals. Employee compensation and benefits (excluding share-based compensation) increased from US$87.5 million in 2022 to US$90.6 million in 2023 and US$112.6 million in 2024. In addition, we utilize various marketing tools, including branding on online and traditional channels, collaborating with business partners, hosting branding events and circulating branding materials, to attract new customers, retain our existing customers and increase our revenues. Our marketing and branding expenses were US$33.1 million, US$20.9 million and US$28.5 million in 2022, 2023 and 2024, respectively, accounting for 14.7%, 7.7% and 7.3%, respectively, of our total revenues for the same periods. If we are unable to operate in a cost-effective manner, our results of operations may be negatively impacted.

***We rely on a number of external service providers for certain key market information and data, technology, processing and supporting functions.***

We rely on a number of external service providers for certain key market information and data, technology, processing and supporting functions. These include the services of market makers, exchanges and Interactive Brokers and other clearing agents and clearinghouses to execute and settle customer orders. Furthermore, external content providers provide us with financial information, market news, charts, option and stock quotes and other fundamental data that we offer to customers. These service providers face technical, operational and security risks of their own. Any significant failures by them, including improper use or disclosure of our confidential customer, employee or company information, could interrupt our business, cause us to incur losses and harm our reputation. Particularly, we have contracted with Nasdaq, New York Stock Exchange and a few other institutions to allow our customers to access real-time market information data, which are essential for our customers to make their investment decisions and take actions. Any failure of such information providers to update or deliver the data in a timely manner as provided in the agreements could lead to potential losses of our customers, which will in turn affect our business operations and reputation.

We cannot assure that the external service providers will be able to continue to provide these services to meet our current needs in an efficient and cost-effective manner, or that they will be able to adequately expand their services to meet our needs in the future. Some external service providers which have assets that are important to the services they provide us are located outside the United States, and their ability to provide these services is subject to risks from unfavorable political, economic, legal or other developments, such as social or political instability, changes in governmental policies or changes in the applicable laws and regulations.

An interruption in or the cessation of service by any external service provider as a result of system failures, capacity constraints, financial constraints or problems, unanticipated trading market closures or for any other reason and our inability to make alternative arrangements in a smooth and timely manner, if at all, could have a material adverse effect on our business, results of operations and financial condition.

Further, disputes might arise out of or in connection with the agreements regarding our or the service providers' performance of the obligations thereunder. To the extent that any service provider disagrees with us on the quality of the products or services, terms and conditions of the payment or other provisions of such agreements, we may face claims, disputes, litigations or other proceedings initiated by such service provider against us. We may incur substantial expenses and require significant attention of management in defending against these claims, regardless of

their merit. We could also face damages to our reputation as a result of such claims, and our business, financial condition, results of operations and prospects could be materially and adversely affected.

***We are dependent upon the cooperation agreements with a few third party platforms for a portion of our revenues and customers.***

We enter into revenue-sharing arrangements with third party platforms, pursuant to which those platforms allow us to interface with their own customers and receive a percentage of the fees paid by those customers who have transacted through our platform. Our agreements with those platforms typically have a term of one to three years. There can be no assurance that our agreements with them will be extended or renewed after their respective expiration or that we will be able to extend or renew such agreements on terms and conditions favorable to us. If any of the important platforms breaches its obligations under any of these agreements or refuses to extend or renew it when the term expires, we may lose all or a portion of the customer base of its network or we may not be able to continue to acquire new customers through that platform. Any termination or deterioration of our relationship with an important platform, and any extension or renewal after the respective initial term of these agreements on terms and conditions less favorable to us would have a material adverse effect on our business, financial condition and results of operations.

***We may pursue acquisitions or joint ventures that could present unforeseen integration obstacles, incur unpredicted costs or may not enhance our business as we expected.***

We have made a few selective acquisitions to expand our business into new areas and jurisdictions. We may in the future continue to pursue acquisitions and joint ventures as part of our growth strategy. Any future acquisition or joint venture may result in exposure to potential liabilities of the acquired companies, significant transaction costs and present new risks associated with entering additional markets or offering new products and integrating the acquired companies or newly established joint ventures. Potential liabilities may arise from deficiencies in due diligence findings and deficient past track record results. We may also become subject to new, different, and potentially more complex or onerous regulatory requirements as our business, services, and geographic footprint expand. For instance, in November 2018, Tiger Fintech Holdings completed the acquisition of 100% of the equity interests in US Tiger Securities, Inc. In July 2019, Tiger Fintech Holdings completed its acquisition of 100% of the equity of TradeUP Securities, a U.S. online broker service platform that focuses on empowering self-directed investors with necessary tools to manage their portfolios. In October 2021, Up Fintech International Limited completed its acquisition of 100% of the equity of Ocean Joy Holdings Limited ("Ocean Joy"), and its sole subsidiary Tiger Brokers (HK) Global Limited ("Tiger Brokers HK", formerly known as Ocean Joy Securities Limited), a licensed corporation of the Securities and Futures Commission of Hong Kong ("SFC") holding Type 1 ("Dealing in Securities"), Type 2 ("Dealing in Futures Contracts"), Type 4 ("Advising on Securities"), Type 5 ("Advising on Futures Contracts") and Type 9 ("Asset Management") licenses. Such acquisitions made to expand our business, facilities and workforce will also involve costs and risks, such as potential labor disputes and compliance costs and risks. There can be no assurance that we will be able to grow our acquired or invested businesses, or realize returns, benefits of synergies and growth opportunities we expect in connection with such acquisitions.

Moreover, we may not have sufficient management, financial and other resources to integrate companies we acquire or to successfully operate joint ventures and we may be unable to profitably operate our expanded company structure. Additionally, any new business that we may acquire or joint ventures we may form, once integrated with our existing operations, may not produce expected or intended results.

***Our business may be harmed by global events beyond our control, including overall slowdowns in securities trading. Our revenues and profitability depend on trading volume and are prone to significant and unpredictable fluctuations.***

Like other brokerage and financial services firms, our business and profitability are directly affected by elements that are beyond our control, such as economic and political conditions, broad trends in business and finance, changes in volume of securities transactions, changes in the markets in which such transactions occur and changes in how such transactions are processed. A weakness in equity markets, such as a slowdown causing reduction in trading volume in the United States and Hong Kong stocks and other financial instruments, has historically resulted in reduced transaction revenues and would have a material adverse effect on our business, financial condition and results of operations. For example, the highly volatile market conditions in 2022 and 2025 relating to continual geopolitical

instability and increase in interest rates across the global caused some of our clients to experience financial losses. If we are unable to collect fees from or recover margin loans made to our clients, our financial condition and results of operations may be adversely affected. Additionally, certain market participants may be overleveraged, which may exacerbate the effects of market volatility. In case of sudden, large price movements, such market participants are more likely to be unable to meet their obligations to brokers who, in turn, may not be able to meet their obligations to their counterparties. As a result, the financial system or a portion thereof could collapse, and the impact of such an event could be catastrophic to our business.

Our revenues depend substantially on our customers' trading volume, which is influenced by the general trading activities in the securities trading market. Securities trading faces competition from other investment products, such as wealth management products and peer-to-peer lending. These alternative investment products may divert investors from or reduce their activity levels in securities trading, which may adversely affect our trading volume, revenues and business.

In addition, general trading activities in our industry are also directly affected by factors such as economic and political conditions, macro trends in business and finance, investors' interest level in securities trading and legislative and regulatory changes. Any of these factors or other factors may reduce the trading activity level in securities trading industry and adversely affect our business and results of operations and cash flows. Events in global financial markets in recent years resulted in substantial market volatility and increased customer trading volume. However, any sustained downturn in general economic conditions or global equity markets could result in reduced customer trading volume and revenues. Severe market fluctuations or weak economic conditions could reduce our trading volume and revenues and have a material adverse effect on our profitability. As a result, period to period comparisons of our revenues and operating results may not be meaningful, and future revenues and profitability may be subject to significant fluctuations or declines.

***Attrition of customer accounts and failure to attract new accounts could have a material adverse effect on our business, financial condition and results of operations.***

Our customer base mainly comprises of individual customers. Although we offer services designed to educate, support and retain our customers, our efforts to attract new customers or reduce the attrition rate of our existing customers may not be successful. The number of customers on our trading platform depends on the usability and popularity of our trading platform as well as the industry outlook of the online brokerage business. Our customers' trading volume is directly influenced by the demand for trading by individual investors, which is affected by the general social and economic conditions, as well as individual investors' preference for the choice of investment products. In addition, customers' trading activities are influenced by the trading price volatility of the relevant products.

Additionally, we have a large and highly engaged customer base, which drives our revenue growth. Our ability to continue to effectively maintain and expand our customer base will affect the growth of our business and our revenues going forward. Our total customer accounts increased from 2,007,989 as of December 31, 2022 to 2,195,705 as of December 31, 2023 and 2,499,304 as of December 31, 2024. Our revenues increased from US$225.4 million in 2022 to US$272.5 million in 2023 resulting from the increase of federal benchmark rates in 2023, and increased to US$391.5 million in 2024 as we continue to execute on our internationalization strategy and build a resilient business model with healthier operating leverage. Furthermore, the level of customer engagement affects our commissions, interest income and financing service fees. Total account balance increased from US$14.0 billion as of December 31, 2022 to US$30.6 billion as of December 31, 2023, and increased to US$41.7 billion as of December 31,2024. Our ability to expand our customer base, including expansion into markets including the United States, Australia, Hong Kong and Singapore, as well as maintain and enhance customer engagement, depends on, among other things, our ability to continuously provide comprehensive and user-friendly online trading experience. If we are unable to maintain or increase our customer retention rates or generate new customers in a cost-effective manner, our business, financial condition and results of operations would likely be adversely affected. Historically, we incurred US$33.1 million, US$20.9 million and US$28.5 million in marketing and branding expenses, representing 14.7%, 7.7%, and 7.3% of our total revenues in 2022, 2023 and 2024, respectively. Although we have spent significant financial resources on marketing expenses and plan to continue doing so, these efforts may not be cost-effective to attract new customers. We cannot assure you that we will be able to maintain or grow our customer base in a cost-effective way. If we are unable to maintain high quality services, or maintain or reduce our service fee rate, or introduce new products and

services, we may fail to attract new customers or lose our existing customers, which could adversely affect our growth and profitability.

***If we are unable to earn commissions for brokerage services and interest income or financing service fees for margin financing, our results of operation may be negatively impacted.***

We charge commission fees for the brokerage services we deliver to our customers. We also earn interest income or financing service fees arising from or related to margin financing provided by ourselves or third parties to our customers for trading activities. Our ability to earn commission fees, interest income or financing service fees largely depends on the number of customers on our trading platform, their trading volume and our commission fee rate. From 2022 to 2024, the average rate of commissions over trading volume, which is the ratio of the total commissions to the total trading volume in the same period, declined from 0.0335% to 0.0288%. This decline was primarily due to the lower average fee rate attributable to industry competition. If our customers' account balances, trading volume or commission fee rate decline in the future, we will likely earn less in commissions, which could have a material adverse effect on our results of operations. Additionally, our ability to extend margin financing to our customers largely depends on the amount of funds we can allocate internally and obtain from external sources, such as potential borrowings on revolving credit facilities. In connection with the significant growth in our consolidated account customers, we expect to generate more interest income from margin financing offered to our customers. If we are unable to extend margin financing and earn commission fees, interest income or financing service fees, or if there is a reduction in our fee rates, our results of operations may be adversely affected. Additionally, market volatility or declines may cause our clients to experience losses, which may result in a higher rate of client defaults. If we are unable to recover funds due from our clients, our results of operations and financial condition will be adversely affected.

***Our current level of commission and fee rates may decline in the future. Any material reduction in our commission or fee rates could reduce our profitability.***

We derive a significant portion of our revenues from commissions and fees paid by our clients for trading securities through our platform. Commission fees generated from our brokerage services accounted for US$108.1 million, US$92.6 million and US$159.0 million in 2022, 2023 and 2024, respectively. We may experience pressure on our commission or fee rates as a result of competition we face in the online brokerage service industry. Some of our competitors offer a broader range of services to a larger client base and enjoy higher trading volumes than we do. Consequently, our competitors may be able and willing to offer trading services at lower commission or fee rates than we currently offer or may be able to offer. For example, some brokers in Hong Kong and the United States offer zero commission fees or similar policies to attract retail securities investors. As a result of this pricing competition, we could lose both market share and revenues. We from time to time award discounted or even zero commission fees to new or existing customers as part of our marketing scheme, thus attracting more customers and boosting customer stickiness. We believe that any downward pressure on commission or fee rates would likely continue and intensify as we continue to develop our business and gain recognition in our markets. A decline in our commission or fee rates could lower our revenues, which would adversely affect our profitability. In addition, our competitors may offer other financial incentives such as rebates or discounts in order to induce trading in their systems rather than in ours. If our commission or fee rate decreases significantly, our operating and financial results may be materially and adversely affected.

***Failure to comply with regulatory capital requirements set by local securities regulatory authorities and agencies could materially and negatively affect our financial condition and results of operations.***

Some of our subsidiaries are required to comply with regulatory capital requirements. For example, our subsidiary US Tiger Securities, Inc. is a registered broker-dealer in the United States. Wealthn LLC, another of our subsidiaries, is a registered investment advisor in the United States and a member of the National Futures Association, or the NFA. Our subsidiary Tiger Brokers HK is currently registered in HK to provide brokerage services. Stringent rules with respect to the maintenance of specific levels of net capital by securities broker-dealers or investment advisory firms have been adopted by many regulatory authorities and agencies such as the SEC, FINRA, the U.S. Commodity Futures Trading Commission, or the CFTC, and the NFA.

US Tiger Securities, Inc. must comply with the SEC's net capital requirements, by which its current financial health is measured by assessing its liquidity against the risks where it has exposure. At all times US Tiger Securities, Inc. must maintain its net capital requirements, at a level equal to, or greater than, the prescribed minimum capital. US Tiger Securities, Inc. must maintain a minimum net capital requirement in compliance with the SEC Rule 15c3-1 as well as comply with the SEC Rule 17a-11 and the "early warning levels" for net capital requirements contained therein.

If we fail to comply with HK, U.S. and Singapore capital adequacy requirements, we will be forced to suspend our business operations until such time as we have injected enough capital to comply with applicable rules and regulations. Additionally, the regulators could suspend or revoke our registration, expel us from membership, or impose censures, fines or other sanctions. If the net capital requirements are changed or expanded, or if there is an unusually large charge against net capital, then our operations that require capital could be limited, and we may not be able to pay dividends. A large operating loss or charge against net capital could have a material adverse effect on our ability to maintain or expand our business.

***We face risks related to our status as an anti-money laundering reporting entity in New Zealand and if the Financial Markets Authority finds fault with our AMLCFT programs and engages in enforcement actions against us, our business and reputation may be adversely affected.***

Some of our subsidiaries are required to comply with regulatory anti-money laundering requirements. For example, as part of its supervisory function to monitor compliance, the FMA visited Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited, or Tiger Fintech for an Anti-Money Laundering/Combating the Financing of Terrorism ("AMLCFT") inspection in November 2023. In February 2024, the FMA reported back its high-level findings following the inspection in which it identified five findings in respect of Tiger Brokers and one finding for Tiger Fintech. In September and October 2024, the FMA withdrew one finding and resolved two findings related to Tiger Brokers and updated the remaining two. Additionally, part of the findings concerning Tiger Fintech has been resolved. Both businesses remain fully cooperative with the FMA and await further information to better understand any remaining concerns so that these might be addressed.

***Failure to comply with applicable rules and regulations relating to segregation of customer funds may have a material adverse effect on our business, results of operations, financial condition, or reputation.***

Certain of our subsidiaries are subject to rules and regulations relating to the segregation of customer funds from our internal funds, set by local securities regulatory authorities and agencies, in the jurisdictions in which they operate. For example, Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited are subject to such rules in New Zealand. If we fail to segregate our customer funds from our internal funds in accordance with applicable rules and regulations, we may be subject to regulatory action including private or public censure, fines, or other legal action, which may have an adverse effect on our business, financial condition, or reputation. As we increase the number of consolidated accounts, we also expect cash segregated for regulatory purposes and payables to customers on our balance sheet to increase significantly.

***A failure in our information technology, or IT, systems could cause interruptions in our services, undermine the responsiveness of our services, disrupt our business, damage our reputation and cause losses.***

Our IT systems support all phases of our operations, including marketing, customer development and the provision of customer support services, and are an essential part of our technology infrastructure. Our technology infrastructure and compliance capabilities are critical for us to offer high quality products and services as well as to retain and attract users and customers. They also enable us to facilitate secure, fast and cost-efficient financial transactions on our platform. We must continue to upgrade and expand our technology infrastructure and to strengthen our compliance system to keep pace with the growth of our business and to develop new features and services for our users and customers. With the continuous improvement of our technology infrastructure and compliance capabilities, we are able to serve more consolidated accounts. From 2018 to 2024, we experienced rapid growth in the number of consolidated accounts and the number of consolidated accounts and corresponding assets under management already surpassed fully disclosed accounts. In connection with the growth of consolidated accounts, we expect our revenues to increase because the revenues for consolidated accounts are recognized on a gross basis including the full amount paid by customers while the revenues for fully disclosed accounts are recognized on a net basis after deducting the execution and clearing expenses paid to Interactive Brokers. We also expect cash segregated for regulatory purposes

and payables to customers on our balance sheet to increase significantly as a result of such growth. We will invest more resources on customer verification, record keeping, compliance and trading-related functions for consolidated accounts. Our ability to serve more consolidated accounts, depends on, among other things, our ability to support all aspects of customer verification, record keeping and compliance functions using our technology and human resources.

If our systems fail to perform, we could experience disruptions in operations, slower response time or decreased customer satisfaction. We must process, record and monitor a large number of transactions and our operations are highly dependent on the integrity of our technology systems and our ability to make timely enhancements and additions to our systems. System interruptions, errors or downtime can result from a variety of causes, including changes in customer usage patterns, technological failures, changes to our systems, linkages with third-party systems and power failures. Our systems are vulnerable to disruptions from human error, execution errors, errors in models such as those used for risk management and compliance, employee misconduct, unauthorized trading, external fraud, computer viruses, distributed denial of service attacks, computer viruses or cyberattacks, terrorist attacks, natural disaster, power outage, capacity constraints, software flaws, events impacting key business partners and vendors, and similar events.

It could take an extended period of time to restore full functionality to our technology or other operating systems in the event of an unforeseen occurrence, which could affect our ability to process and settle customer transactions. Moreover, instances of fraud or other misconduct might also negatively impact our reputation and customer confidence in us, in addition to any direct losses that might result from such instances. Despite our efforts to identify areas of risk, oversee operational areas involving risks, and implement policies and procedures designed to manage these risks, there can be no assurance that we will not suffer unexpected losses, reputational damage or regulatory actions due to technology or other operational failures or errors, including those of our vendors or other third parties.

While we devote substantial attention and resources to the reliability, capacity and scalability of our systems, extraordinary trading volume could cause our computer systems to operate at unacceptably slow speeds or even fail, affecting our ability to process customer transactions and potentially resulting in some customers' orders being executed at prices they did not anticipate. Disruptions in service and slower system response time could result in substantial losses and decreased customer satisfaction. We are also dependent on the integrity and performance of securities exchanges, clearinghouses and other intermediaries to which customer orders are routed for execution and clearing. System failures and constraints and transaction errors at such intermediaries could result in delays and erroneous or unanticipated execution prices, cause substantial losses for our customers and for us, and subject us to claims from our customers for damages.

While we currently maintain a disaster recovery and business continuity plan, which is intended to minimize service interruptions and secure data integrity, our plan may not work effectively during an emergency. The information technology system failure may lead to interruption of our operations, which in turn will prevent our customers from trading and hence significantly reduce customer satisfaction and confidence in us, cause loss or reduce potential gain for our customers, or cause regulatory authorities' investigation and penalization. Any such system failure could impair our reputation, damage our brand, subject us to claims and materially and adversely affect our business, financial condition, operating results or prospects.

***If we fail to keep our technology updated as the industry evolves, our growth, revenues and business prospects may be materially and adversely affected.***

Our proprietary trading platform and customer relationship management system are critical to our business operations. In order to remain competitive, our proprietary technology is under continuous development and upgrade. If we fail to keep our technology updated as needed or as fast as our competitors or in a cost-effective manner, we may lose our competitiveness against our competitors. In addition, advancements in technology are occurring in our industry, including as companies increase use of data analytics, artificial intelligence (AI) and other technology as part of their business strategy. We will be at a competitive disadvantage if, over time, our competitors are more effective than us in their utilization of new technologies. Failure to compete may limit our service quality, lower customer confidence in us or otherwise adversely affect our business and prospects.

***With the rapid advancement of technology, we may encounter risks associated with emerging technologies.***

As AI continues to evolve, we have taken steps to adapt to technological advancements and ensure the application of new technologies. In April 2023, we introduced TigerGPT, an AI investment assistant developed by our Group based on OpenAI, aims to provide intelligent investment decision-making support for investors. It utilizes advanced natural language processing and machine learning technologies to understand users' natural language inputs, quickly extract relevant information from a large amount of financial data and information, and provide professional answers. Recently, we officially upgraded our AI investment assistant, TigerGPT to TigerAI and integrated with leading AI models, making it one of the first brokerage platform globally to incorporate such technology. Our goal of rolling out TigerAI is to provide accurate responses to investors' questions based on reliable data. However, TigerAI utilizes AI technology provided by third parties and we cannot guarantee that it will provide accurate responses or that it will not make mistakes. In addition, despite our warning notices posted on the website to all investors that the answers provided by TigerAI are for reference purposes only and do not constitute financial advice, there remains a risk that investors may rely on AI recommendations for investment decisions. This could potentially result in financial losses for investors and consequently pose reputational risks for our company.

***We may not be able to protect our intellectual property rights.***

We rely on a combination of trademark, copyright, trade secret and fair business practice laws globally to protect our proprietary technology, intellectual property rights and brand. We have not registered some of the names, logos and characters of our platform and products as trademarks, which may adversely affect our reputation, business, financial condition and results of operations, if others register the same or similar terms as their own trademarks. Although we have submitted trademark applications for the names, logos and characters of our platform and products such as "Tiger Trade", in jurisdictions for existing and potential business, there is no guarantee that our applications will be approved by the relevant authorities. Although we have adopted strict internal policies and have entered into confidentiality and invention assignment agreements with certain of our employees and/or relevant third parties and also rigorously control access to proprietary technology, it is possible that third parties may copy or otherwise obtain and use our proprietary technology without our authorization or otherwise infringe on our rights. We may also face claims of infringement that could interfere with our ability to use technology that is material to our business operations.

We may also have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity, and may also have to attend litigation initiated against us. Any such litigation, whether successful or unsuccessful, could result in substantial costs and the diversion of resources and the attention of management, any of which could adversely affect our business. In addition, we may have to enter into royalty or licensing agreements where there can be no assurance that such licenses would be available on reasonable terms, if at all, and the settlement of these claims could have a material adverse effect on our business, financial condition and operating results.

***We are subject to counterparty risk whereby defaults by parties with whom we do business can have an adverse effect on our business, financial condition and results of operations.***

In our brokerage business, we are exposed to customer margin credit risk even though we automatically evaluate each account throughout the trading day and close out positions automatically for accounts that are found to be under-margined. Our policy of evaluating accounts and closing positions for accounts that are found to be underfunded may not be effective in situations in which no liquid market exists for the relevant securities or commodities or in which, for any reason, automatic liquidation for certain accounts has been disabled. If no liquid market exists or automatic liquidation has been disabled, we are subject to risks inherent in extending credit, especially during periods of rapidly declining markets. Any loss or expense incurred due to defaults by our customers in failing to repay margin loans or to maintain adequate collateral for these loans would cause harm to our business, financial condition and results of operations.

***We may be subject to intellectual property claims from others and applicable administrative penalties.***

We may in the future receive notices of claims for infringing upon other parties' intellectual property rights. There can be no assurance that claims for infringement or invalidity (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us. To provide the user community with the latest news

and online content, our community website (laohu8.com) was previously programmed to automatically collect and use certain contents provided by third parties without the appropriate authorization or license. Further, some of our users might repost the contents produced by third parties without authorization on our trading platform. The contents created by third parties and published by us or our users could lead to infringement claims. We may also be subject to administrative penalties brought by the National Copyright Administration in China or its local branches for alleged copyright infringement.

We may not be able to promptly identify and remove all contents that may infringe upon third-party rights. Moreover, some right owners might not send us a notice before bringing a lawsuit against us. Thus, our failure to identify unauthorized contents posted on our trading platform can subject us to claims for infringement of third-party intellectual property rights or other rights. Even if we can and have removed all unauthorized content and are in the process of negotiating the license or permit, pursuant to the provisions of applicable laws and regulations, we believe our past violations or infringement might still expose us to potential claims or liabilities.

***We may fail to protect our platform from cyber-attacks, which may adversely affect our reputation, customer base and business.***

Despite our efforts to safeguard the information of our customers, system malfunctions, employee errors, misconducts or other factors may still occur, which may lead to Internet security emergency. Our computer system, the networks we use, the networks and online trading platforms of the exchanges and other third parties with whom we interact, are potentially vulnerable to physical or electronic computer break-ins, viruses and similar disruptive problems or security breaches. A party that is able to circumvent our security measures could misappropriate proprietary information or customer information, jeopardize the confidential nature of the information we transmit over the Internet and mobile network or cause interruptions in our operations. Also see "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure – If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected." We or our service providers may be required to invest significant resources to protect against the threat of security breaches or to alleviate problems caused by any breaches. To the extent that our activities involve the storage and transmission of proprietary information and personal financial information, security breaches could expose us to risks of financial loss, litigation and other liabilities. Any of these events, particularly if they result in a loss of confidence in our services, could have a material adverse effect on our reputation, business, financial condition and results of operations.

***We face risks related to potential insider trading, money laundering and securities fraud conducted by our customers which we cannot fully eliminate.***

Although our customer agreements require customers to acknowledge that they will observe all insider trading, money laundering and securities fraud laws and regulations in applicable jurisdictions and to assume liabilities for all restrictions, penalties and other responsibilities arising from conducts suspected to constitute insider trading, money laundering and/or, securities fraud, we cannot verify whether every transaction conducted by our customers is in compliance with such laws and regulations because our customers may circumvent our due diligence measures to commit insider trading and/or money laundering. In addition, we will review to see if our customers are politically exposed persons or on certain sanction lists (including but not limited to the lists of money laundering, terrorist financing or other crimes) through search systems provided by third-party suppliers. However, we may still be subject to certain legal or regulatory sanctions, fines or penalties, financial loss, or damage to reputation resulting from the failure of our customers to comply with insider trading and/or money laundering laws and regulations in the relevant jurisdictions. Also see Item 3.D "Risk Factors - Risks Related to Our Business and Industry-We face risks related to our status as an anti-money laundering reporting entity in New Zealand and if the Financial Markets Authority finds fault with our AMLCFT programs and engages in enforcement actions against us, our business and reputation may be adversely affected."

***We face risks related to our KYC procedures when our customers provide outdated, inaccurate, false or misleading information.***

We collect user information during the account opening and registration process and screen accounts against public databases for purpose of verifying customer identity and detecting risks. Although we require our customers to submit documents for proof of their identity and address for completing the account registration and to update such

information from time to time, we face risks as the information provided by our customers may be outdated, inaccurate, false or misleading. We cannot fully confirm the accuracy, currency and completeness of such information beyond reasonable effort. For example, some of our customers are holders of the PRC identity card. Because the PRC identity cards are usually effective for more than ten years or some may have no expiration term, customers may have changed their domicile or citizenship, thus making them subject to applicable laws and regulations of jurisdictions other than PRC such as the U.S. In this situation, despite our effort to exclude persons who reside in jurisdictions where we have no license or permit such as the United States before the completion of the acquisition of US Tiger Securities, Inc., our provision of products and services to such customers could be in violation of the applicable laws and regulations in those jurisdictions, of which we may have no awareness until we are warned by the relevant supervising authorities. Despite our safeguards, we could still be subject to certain legal or regulatory sanctions, fines or penalties, financial loss, or damage to reputation resulting from such violations.

In addition, although we and our vendors have strict internal policies for continuing KYC procedures after the activation of accounts and for issues such as anti-corruption, economic sanctions, anti-money laundering, export controls and securities fraud, we mainly rely on our continuing KYC procedures to ensure our compliance with relevant laws and regulations related to anti-corruption, economic sanctions, anti-money laundering, export controls and securities fraud. Although we have relevant trainings for our employees, our KYC system and procedures cannot be foolproof. Any potential flaw in our KYC system or any misconduct in the KYC procedures by any of our employees may also lead to our failure of compliance with such relevant laws and regulations, which will further subject us to certain legal or regulatory sanctions, fines or penalties, financial loss, or damage to reputation. Also see Item 3.D “Risk Factors-Risks Related to Our Business and Industry-We face risks related to our status as an anti-money laundering reporting entity in New Zealand and if the Financial Markets Authority finds fault with our AMLCFT programs and engages in enforcement actions against us, our business and reputation may be adversely affected.”

***We cannot guarantee the profitability of our customers’ investment or ensure that our customers can make rational investment judgement.***

Similar to other brokerage and financial services providers, we cannot guarantee the profitability of the investments made or accessed by customers on or through our trading platform or Fund Mall. The profitability of our customers’ investment is directly affected by elements beyond our control, such as economic and political conditions, broad trends in business and finance, changes in volume of securities and futures transactions, changes in the markets in which such transactions occur and changes in how such transactions are processed.

Moreover, a substantial portion of our customers are retail investors who are less sophisticated compared with institutional investors. We provide a forum to facilitate the provision of financial and market information, and live market commentaries. Although these materials and commentaries contain prominent disclaimers, our customers may seek to hold us responsible when they use such information to make trading decisions and suffer financial loss on their trades, or if their trades are not as profitable as they have expected. Furthermore, it is possible that some customers could solely rely on certain predictive statements made by other customers on our trading platform, ignoring our alert warnings that customers should make their own investment judgement and should not predict future performance based on historical records. As a result, the financial loss of our customers will inevitably affect our performance in terms of transaction volumes and revenues as customers decide to abort trading. In addition, some customers who have suffered substantial losses on our platform may blame our platform, seek to recover their damages from us or bring lawsuits against us.

***If our reputation, or the reputation of our industry as a whole, is harmed, or the reputation of the industry as a whole is damaged, our business, financial condition, results of operations or prospects may be materially and adversely affected.***

Our ability to attract and retain customers may be adversely affected if our reputation, or the reputation of our industry as a whole, is damaged. If we fail, or appear to fail, to deal with issues that may give rise to reputational risk, our business and prospects may be harmed. These issues include, but are not limited to, mishandling customer complaints, potential conflicts of interest, privacy breaches, customer data leak, improper sales practices, as well as failure to identify legal, credit, liquidity, and market risks inherent in our business. Failure to appropriately address these issues

could reduce customer confidence in us or increase customer attrition rate, which may adversely affect our reputation and business.

In addition, our ability to attract and retain customers may be adversely affected if the reputation of the industry as a whole is damaged. The perception of insufficient regulation and unfavorable reputation within the industry could materially and adversely affect our ability to attract and retain customers. Any fraudulent or allegedly fraudulent activities in the securities brokerage industry, which is beyond our control, may damage the reputation of the entire industry and may adversely affect our business operations and reputation.

***We depend on key management as well as experienced and capable personnel, and our business may be adversely affected if we are unable to hire and retain qualified employees.***

Our key management includes our Chief Executive Officer or CEO, Mr. Tianhua Wu and our Chief Financial Officer or CFO, Mr. John Fei Zeng. Our continued success is dependent upon the hire and retention of these key management members, as well as a number of other key managerial, marketing, sales, research, technical and operations personnel, and continuous recruitment of experienced and capable personnel. We do not have key man insurance and the loss of such key personnel could have a material adverse effect on our business. In addition, our ability to grow our business is dependent, to a large degree, on our ability to hire or retain such key management members and experienced personnel. If we lose any of our key management team members or fail to attract and retain professional personnel, we may not be able to execute our existing business strategies effectively or deliver excellent services to our customers, and our business, reputation, financial condition and results of operations could be materially and adversely affected.

***We have exposure to interest rate risk.***

As a part of our business, we invest in interest-earning assets and are obligated on interest-bearing liabilities. Interest rate fluctuations primarily affect our interest income and interest expense. We earn interest income primarily from margin financing and securities borrowing and lending transactions and make interest payments on deposits we hold on behalf of our customers and borrowings provided by Interactive Brokers and other commercial lenders. Changes in interest rates could affect the interest earned on assets differently than interest paid on liabilities. A rising interest rate environment, generally results in a larger net interest spread. Conversely, a falling interest rate environment generally results in a smaller net interest spread. Our most prevalent form of interest rate risk is referred to as “gap” risk. This risk occurs when the interest rates we earn on assets change at a different frequency or scale than the interest rates we pay on liabilities. If we are unable to effectively manage our interest rate risk, changes in interest rates could have a material adverse effect on our profitability. Additionally, if we are not able to secure additional funding in the future from our existing counterparties or others on favorable terms or at all, our financial condition, growth prospects, and results of operations may be adversely affected.

***Our brokerage operations have exposure to liquidity risk.***

Our brokerage operations have exposure to liquidity risk. Maintaining adequate liquidity is crucial to our brokerage operations, including key functions such as transaction settlement and margin lending. We are subject to liquidity and capital adequacy requirements in various jurisdictions. Our liquidity needs are primarily met by equity contribution and revenue generation. A reduction of funds available from these sources may require us to seek other potentially more expensive forms of financing, such as potential borrowings on revolving credit facilities. Our liquidity could be constrained if we are unable to obtain financing on acceptable terms, or at all, due to a variety of unforeseen market disruptions. Inability to meet our funding needs in a timely manner would have a material adverse effect on our business.

***Fluctuations in the value of Renminbi could result in foreign currency exchange losses.***

A substantial portion of our operating costs and expenses is denominated in Renminbi, while most of our revenues are denominated in U.S. dollars. Consequently, fluctuations in exchange rates, primarily those involving U.S. dollar, may affect the relative purchasing power of these proceeds and our balance sheet and earnings per share in U.S. dollars. In addition, appreciation or depreciation in the value of Renminbi relative to U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business, financial condition or

results of operations. Renminbi may appreciate or depreciate significantly in value against U.S. dollar in the long term, depending on the fluctuation of the basket of currencies against which it is currently valued, or it may be permitted to enter into a full float, which may also result in a significant appreciation or depreciation of Renminbi against U.S. dollar.

The hedging options available in China to reduce our exposure to exchange rate fluctuations are quite limited. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure adequately or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

***We are exposed to credit risk with customers.***

A portion of our revenues arises from or is related to margin financing provided to our customers. By permitting customers to purchase securities on margin, we are subject to risks inherent in extending credit, especially during periods of heightened market volatility. Substantial fluctuations in market values of securities and the failure to honor their commitments by our customers on margin financing and securities borrowing and lending transactions could have a material adverse effect on our revenues and profitability.

***We may be subject to litigation risk which could adversely affect our reputation, business, financial condition and results of operations.***

We are subject to arbitration claims and lawsuits in the ordinary course of our business. For example, in June 2023 we were the defendant in the securities class action lawsuit filed in the United States District Court for the Central District of California, alleging that our annual report contained misleading statements and material omissions. The case was subsequently transferred to the United States District Court for the Southern District of New York ("SDNY"). In July 2024, we filed a motion to dismiss. On March 27, 2025, the court granted our motion to dismiss the securities class action in its entirety, on the grounds that the plaintiff failed to identify any statement we made that were false or misleading, and that our disclosures adequately warned investors of the risks and uncertainties of the legal landscape in China. On April 21, 2025, the plaintiff filed a second amended complaint. We maintain our position that the complaint lacks merit, and we are committed to vigorously defending ourselves. However, it's important to acknowledge that any current or potential future legal actions against us may result in settlements, awards, injunctions, fines, penalties or other adverse outcome. Predicting the outcome of such matters is inherently difficult, particularly where claims are brought on behalf of various classes of claimants or by a large number of claimants, when claimants seek substantial or unspecified damages or when investigations or legal proceedings are at an early stage. A substantial judgment, settlement, fine or penalty could be material to our operating results or cash flows for a particular period, depending on our results for that period, or could cause us significant reputational harm, which could harm our business prospects. In market downturns, the volume of legal claims and amount of damages sought in litigation and regulatory proceedings against securities brokerage companies have historically increased. We are also subject to litigation claims from third parties alleging infringement of their intellectual property rights. Also see Item 3.D "Risk Factors-Risks Related to Our Business and Industry-We may be subject to intellectual property claims from others and applicable administrative penalties." Such litigation can require the expenditure of significant resources, regardless of whether the claims have merit. If we were found to have infringed a third-party patent or other intellectual property right, then we could incur substantial liability and in some circumstances could be enjoined from using the relevant technology or providing related products and services, which could have a material adverse effect on our business and results of operations.

Our operations require our employees to frequently interact with our existing and potential customers. Although we have prudent internal procedures and policies in place and we monitor employees' interaction with existing and potential customers through our customer relations management system, or our CRM system, it is difficult to detect and deter misconducts and inappropriate behaviors of all of our employees and the precautions we take to prevent and detect such behaviors may not be effective in all cases. Our employees could misappropriate customer information, conduct improper activities on behalf of our customers, make false or misleading statements, falsely promise investment returns to attract customers to trade, mis-record or otherwise try to hide improper activities from us.

Misconduct by our employees or former employees could give rise to customer claims against us, including claims for negligence, fraud, failures to supervise, breaches of fiduciary duty, transactions and intentional misconduct. These customer claims, regardless of their merits, could subject us to substantial losses and seriously harm our reputation. In addition, such customer claims may escalate into litigations or arbitrations. The outcome of any arbitration or litigation is inherently uncertain, and defending against these claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. A judgment against us in any such litigation could incur financial and reputation damage on our business. Even if we prevail in such litigation or arbitration, we could incur significant legal expenses.

***Our insurance coverage may be inadequate to cover risks related to our business and operation.***

While we maintain certain insurance such as professional liability insurance and directors and officers liability insurance for Tiger Brokers (NZ) Limited and certain other subsidiaries, there is no assurance that our insurance coverage will be adequate to cover potential losses. For instance, we do not carry additional policies such as data security insurance, business interruption insurance, or liability insurance covering risks like customer complaints, litigation, or other operational liabilities. As a result, our existing insurance may not adequately protect us from such potential losses and liabilities. In addition, customers of our consolidated accounts are not protected under the scheme of the Securities Investor Protection Corporation, or the SIPC.

Although we believe that our insurance coverage is in line with industry practice in the relevant jurisdictions such as New Zealand, the United States, Singapore and China, if any of the incidents mentioned above occurs and we do not have sufficient insurance to cover the liabilities associated with such incidents, it could have a material adverse effect on our financial condition, results of operations and business prospects.

***Some of our customers reach us on social media platforms, leading to our difficulties in maintaining all required communication records.***

Under the relevant laws and regulations, we are required to keep the records of our communications with customers concerning orders or complaints. To ensure all of our users and customers are best served, we occasionally provide customer service on popular social media platforms in a similar way as other market players in both our industry and other various industries. However, we cannot solve all the difficulties arising therefrom because the social media platforms usually do not have functions that telephone or email operation systems use for keeping the communication records long term. Non-compliance with these requirements could have a material adverse effect on our business, financial condition and results of operations.

***New lines of business or new services may subject us to additional risks.***

From time to time, we may implement new lines of business or offer new services within existing lines of business. For example, we commenced futures trading in March 2016 and our IPO underwriting business experienced significant growth in 2021. In addition, we are currently in the process of applying for a BVI trustee license and working on operational setup to offer a wider selection of trust services. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new services may not be achieved and profitability targets may not prove feasible. External factors, such as compliance with regulations, competition and shifting market preferences, may also impact the successful implementation of a new line of business or a new service. Our personnel and technology systems may fail to adapt to the changes in such new areas or we may fail to effectively integrate new services into our existing operation and we may lack experience in managing new lines of business or new services. In addition, we may be unable to proceed our operation as planned or compete effectively due to different competitive landscapes in these new areas. Even if we expand our businesses into new jurisdictions or areas, the expansion may not yield intended profitable results. Any new line of business and/or new service could have a significant impact on the effectiveness of our internal control system. Furthermore, expansion of our existing lines of business and entry into new lines of business may expose us to additional litigation risk, including the risk of class-action litigation. Failure to successfully manage these risks in the development and implementation of new lines of business or new services could have a material adverse effect on our business, results of operations and financial condition.

***We are in the process of expanding our international operations, which exposes us to significant risks.***

Our growth strategy includes expanding our international services and customer base. Expansion into new markets will require significant management attention and financial resources worldwide. Additionally, we will be exposed to additional regulatory, operational, market, litigation, and publicity risks. In addition to those risks described under the heading "Any future change in the regulatory and legal regime for the securities brokerage industry may have a significant impact on our business model," we will be exposed to additional risks as a result of doing business internationally, including:

- the difficulty of managing and staffing international operations and the increased operations, travel, infrastructure and legal compliance costs associated with numerous international locations;
- challenges to our corporate culture resulting from a dispersed workforce;
- new and different sources of competition;
- difficulties in complying with a wider array of regulatory requirements, including without limitation regulations relating to currency and capital, transfers of funds, taxation, privacy and protection of customer data, broker-dealer requirements, and intellectual property;
- compliance with various anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act of 1977, or FCPA;
- adverse tax consequences;
- fluctuations in currency exchange rates; and
- political or social developments, including unrest or economic instability, in a specific country or region in which we operate, which could have an adverse impact on our operations in that location.

Our failure to manage any of these risks successfully could harm our planned international expansion and adversely affect our business, operating results and financial condition.

***We may not be able to develop our margin financing and securities lending business as expected and may be exposed to credit risks related to these businesses. In addition, we need adequate funding at reasonable costs to successfully operate our margin financing business, and access to adequate funding at reasonable costs cannot be assured.***

Our margin financing and securities lending businesses may not develop as expected if clients fail to perform contractual obligations or the value of collateral held to secure the obligations is inadequate. We have adopted comprehensive internal policies and procedures designed to manage such risks. For example, once the margin value falls below the outstanding amount of the relevant loan extended as a result of a market downturn or adverse movement in the prices of the pledged securities, we will make a margin call requesting the client to deposit additional funds, sell securities or pledge additional securities to top up their margin value. If the client's margin value still falls below the required standard, we will initiate our liquidation protection mechanism on a real-time basis to bring the client's account into margin compliance. Nevertheless, we cannot assure you that we will not be exposed to any credit risks associated with our margin financing and securities lending businesses, and we may experience disputes with our clients after we make the margin calls. In particular, we may not always be able to fully recover the margin value through margin calls and our exposure to credit loss may be exacerbated during periods of high market volatility.

Moreover, the growth and success of our margin financing business depend on the availability of adequate funding to meet our client demand for loans through our platform. We provided margin financing service for securities listed on the Hong Kong Stock Exchange, Singapore Exchange and the major stock exchanges in the U.S., and we provided securities lending services for securities listed on the Hong Kong Stock Exchange and the major stock exchanges in the U.S. We derive the funding for our margin financing business from a variety of sources, including funding secured

from commercial banks, other licensed financial institutions and other parties as well as financing generated from our business operations. To the extent there is insufficient funding from institutional funding partners who are willing to accept the credit risk related to the collateral from our clients, the funds available for our margin financing business might be limited and our ability to provide margin financing services to our clients to address their demand for loans would be adversely impacted. In addition, as we strive to offer our clients competitively priced services and the online brokerage market is intensely competitive, we may attempt to further reduce our interest expense from our funding partners. If we cannot continue to maintain our relationship with these funding partners and obtain adequate funding at reasonable costs, we may not be able to continue to offer or grow our margin financing business. To the extent that our funding partners find the risk-adjusted returns with us less attractive, we may not be able to obtain the requisite level of funding at reasonable costs, or at all. If we are unable to provide our clients with margin loans or fund the loans on a timely basis due to insufficient funding or less favorable pricing compared to those of our competitors, it would harm our business, financial condition and results of operations.

***The wealth management products that we offer involve various risks and failure to identify or fully appreciate such risks may negatively affect our reputation, client relationships, results of operations and financial conditions. In addition, we rely on a limited number of wealth management product providers.***

We offer our clients access to money market, fixed income, equity, balanced, private funds as well as bonds, catering to different investment targets and risk preferences of our clients. These products often have complex structures and involve various risks, including default risks, interest risks, liquidity risks, market risks, counterparty risks, fraud risks and other risks. In addition, we are subject to regulations in relation to wealth management products offering in different jurisdictions, and there is no assurance that our operation will be deemed as in full compliance with such regulations at all times.

Our success in offering our wealth management products and services depends, in part, on our ability to successfully identify the risks associated with such products and services, and failure to identify or fully appreciate such risks may negatively affect our reputation, client relationships, results of operations and financial conditions. Although we do not guarantee the principal or the return of the wealth management products available through our platform and do not bear any liabilities for any loss to capital invested in the products, we must be cautious of the selection of the financial products we offer and must accurately describe the risks associated with those products for our clients. Although we enforce and implement strict risk management policies and procedures, such risk management policies and procedures may not be fully effective in mitigating the risk exposure for all of our clients in all market environments or covering all types of risks. If we fail to identify and fully appreciate the risks associated with the financial products we offer, or fail to disclose such risks to our clients, or if our clients suffer financial losses or other damages resulting from the financial products we offer, our reputation, client relationships, results of operations and financial conditions will be materially and adversely affected.

We rely on a number of third parties who provide us with wealth management products, and our relationships with these product providers are integral to the smooth operation of our wealth management business. If our relationships with third-party service providers deteriorate or third-party service providers decide to terminate our respective business relationships for any reasons, such as to work with our competitors on more exclusive or favorable terms or if they themselves become our competitors, our operation may be disrupted.

***Our operations may be subject to transfer pricing adjustments by competent authorities.***

We use transfer pricing arrangements to account for business activities among our subsidiaries in different jurisdictions. There is no assurance that the tax authorities in any of the jurisdictions where we operate would not subsequently challenge the appropriateness of our transfer pricing arrangements or that the relevant regulations or standards governing such arrangements will not be subject to future changes. If a competent tax authority later finds that the transfer prices and the terms that we have applied are not appropriate, such authority may require us or our subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. Any such reallocation or adjustment could result in a higher overall tax liability for us and may adversely affect our business, financial condition and results of operations.

***We may be unable to effectively manage our rapid growth.***

The rapid growth of our business during our limited operation history has placed significant demands on our management and other resources. As we grow, we may also need to enhance the reliability and scalability of our proprietary technology, network infrastructure and other aspects of our IT systems. We may need to hire additional professionals in such areas as sales and marketing, customer support and risk management as well as other personnel to serve the enlarged customer base. Implementation of new business arrangements, expansion of technology infrastructure and increase in the number of employees may further increase our operational complexity and impose higher standards on every aspect of our operations. Our management team may fail to effectively cope with the increased operational complexity, and we may fail to integrate new resources into our existing operation system. Therefore, we may not be able to maintain current growth rate or manage our growth effectively.

***We face risks related to natural disasters, health epidemics, terrorist attacks and other outbreaks, which could significantly disrupt our operations.***

The occurrence, especially in the regions and cities where we have business, of unforeseen or catastrophic events, including the emergence of a pandemic such as COVID-19 or other widespread health emergencies, terrorist attacks or natural disasters, could create economic and financial disruptions, lead to operational difficulties that could impair our ability to manage our businesses, and expose our business activities to significant losses. Our management team are principally located in Beijing, China; Hong Kong, China; Auckland, New Zealand; the United States and Singapore. A significant portion of our technical research and development, customer service, support teams are based in Beijing, China. Most of our data centers are located in Hong Kong and Beijing, China. Although we have recovery and business continuity plans for our data centers, we cannot guarantee that these plans would be adequate to mitigate the adverse effects to our sustainable operations caused by such unforeseen or catastrophic events. In addition, the major stock exchanges our operations rely on are in the U.S. and Hong Kong. Our operations could also be severely disrupted if the exchanges we operate on were affected by natural disasters, health epidemics or man-caused disasters. An unforeseen or catastrophic event in any of the regions mentioned above could adversely impact our operations. Some measures caused by COVID-19 such as working remotely, travel restrictions and extra health precaution etc. did affect the efficiency of work and several ongoing internal projects in 2020 through 2022; however, our daily operations were not affected as we operated online and we also increased our resources to mitigate the impact.

***Our results of operations, cash flows and financial condition could be affected by the effects of climate change, including severe weather and other geological events in the locations where our customers, suppliers or regulators operate.***

Climate change may cause severe and volatile weather and other geological events, including hurricanes, earthquakes, wildfires, rising sea levels, floods, increased heat index, droughts, or tsunamis, that could disrupt our operations or the operations of our customers, suppliers, data service providers and regulators. The frequency and severity of these events may increase over time. Natural disasters or other disruptions at any of our facilities or our suppliers' facilities, may impair or delay the operation, development, provisions or delivery of our products and services. Additionally, disruptions experienced by our regulators due to natural disasters or otherwise could delay our introduction of new products or entry into new jurisdictions where regulatory approval is necessary. While we insure against certain business interruption risks, we cannot assure that such insurance will compensate us for any losses incurred as a result of natural or other disasters. We also cannot provide assurance that we will be able to obtain sufficient insurance to protect our business from these risks at a favorable price or at all. Any serious disruption to our operations, or those of our customers, suppliers, data service providers, or regulators, could have a material adverse effect on our results of operations, cash flows and financial condition.

Climate change may also have a negative impact on the financial condition of our customers, which may decrease revenues from those customers and increase the credit exposures to those customers. This effect would be amplified if a region in which a large number of our customers are based is affected. Additionally, our reputation and customer relationships may be negatively impacted by our involvement, or our customers' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. New regulations or guidance relating to climate change, as well as the perspectives of shareholders, employees and other stakeholders

regarding climate change, may affect whether and on what terms and conditions we engage in certain activities or offer certain products.

Additionally, transitioning to a low-carbon economy will likely require extensive policy, legal, technology and market changes. Transition risks, including changes in consumer preferences and additional regulatory and legislative requirements, including carbon taxes, could increase our expenses and adversely impact our strategies and those of our customers, which could lead to a decrease in our customer account balances.

The long-term effects of climate change on the global economy and our operations in particular are unclear. Environmental regulations or changes in the supply, demand or available sources of energy or other resources may affect the availability, cost, or demand for goods and services and may increase the costs of our supplies, power and other infrastructure services on which we rely to operate.

***Negative media coverage related to, and our relationships with, our service providers and/or former shareholders could adversely affect our business.***

We may be affected by publicity relating to our service providers and/or shareholders. For example, in September 2018, there was negative publicity involving certain senior officers of iResearch, the industry consultant we commissioned to prepare an industry report in connection with our initial public offering. According to a public announcement made by iResearch, certain senior officers of iResearch are cooperating with governmental investigations in China. Although we were informed by iResearch that its department involved in such negative media coverage did not provide data for the preparation of the iResearch Report, such publicity may raise questions as to the integrity of the industry data or opinions produced by iResearch, including the data in the iResearch Report produced in connection with our initial public offering, or otherwise have a negative impact on our reputation.

**Risks Related to Doing Business in China**

***Geopolitical and regulatory tensions between the U.S. and China, and on a larger scale internationally, may dampen growth in China and other markets where the majority of our customers reside, and our activities and results may be negatively impacted.***

In 2018, the U.S. government began imposing new or higher tariffs on specified products imported from China to penalize China for what it characterizes as unfair trade practices, and China responded by imposing new or higher tariffs on specified products imported from the U.S. While the U.S. and China signed an agreement in January 2020 to ease some of these tariffs, others remain in place, and additional tariffs or other regulatory requirements or restrictions could be imposed by one or both countries in the future. In 2025, the trade tensions have escalated with the U.S. announcing new tariff increases on imports from nearly all economies, including heightened rates on Chinese imports. China has implemented reciprocal tariff measures in responses. Further reciprocal tariff increases by both sides remain possible. Although we are not currently subject to the existing tariff measures, such tariffs, future tariffs, or other regulatory actions may adversely affect the economic growth in China and other markets and the financial condition of our customers. In addition, the recent escalation in reciprocal tariff increases has contributed to heightened equity market volatility and downward pressure on global indices, which may result in trading volume contraction, asset valuation decline, and eventually adversely affect our brokerage business. Any potential decrease in the spending powers of our target customers could result in a negative impact on our operations. In addition, the current and future actions or escalations by either the U.S. or China that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business, financial condition and results of operations, and we cannot provide any assurance as to whether such actions will occur or the form that they may take.

***PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.***

We mainly conduct our brokerage operations in New Zealand, Singapore, Hong Kong and the United States and conduct technology research and development in China through our PRC subsidiaries, the VIEs and their subsidiaries. Because technology development is our key backbone for our operations in a long run, our financial condition and results of operations are subject to influences from PRC’s economic, political and social conditions to a great extent.

The PRC economy differs from the economies of most developed countries in many aspects, including, but not limited to, the degree of government involvement, control of capital investment, control of foreign exchange, allocation of resources, growth rate and development level.

For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. We cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations. In addition, many of the economic reforms carried out by the PRC government are unprecedented or experimental and are expected to be refined and improved over time. This refining and improving process may not necessarily have a positive effect on our operations and business development.

***We may be subject to penalties for failure to fully comply with the NDRC and the MOFCOM filing requirements for historical overseas investments.***

Historically, before we established our offshore holding structure, our PRC operating entity, Beijing Rongke, had established Tiger Technology Corporation Limited, or Tiger Technology, in Hong Kong, which thereafter acquired our New Zealand registered companies, Tiger Brokers (NZ) Limited, and Tiger Holdings Group Limited, or Tiger Holdings. Under the applicable PRC laws and regulations, PRC entities need to obtain approvals from or file with the National Development and Reform Commission, or the NDRC and the Ministry of Commerce, or the MOFCOM, or their local branches before conducting any overseas investments, and are also required to apply for additional approvals or file or make certain amendments if any change occurs to such overseas investments. Beijing Rongke has filed with the relevant branch of the MOFCOM for investing in Tiger Technology, but failed to update such filing for Tiger Technology's further investments in Tiger Brokers (NZ) Limited and Tiger Holdings. It also failed to file with the NDRC for the overseas investment as required under then effective PRC laws. Failure to conduct such filing procedures may subject us to an order of suspension of Beijing Rongke's investment in Tiger Technology, and may result in the inability for Beijing Rongke to enjoy relevant policy favors for three years. As of the date of this report, we have not received any rectification requirements or penalties from the NDRC or the MOFCOM. In addition, we took certain rectification measures. For instance, we transferred all equity interest in Tiger Brokers (NZ) Limited from Tiger Technology to our Singapore subsidiary, Tiger Fintech (Singapore) Pte. Ltd. for commercial needs, and we de-registered our filing with MOFCOM. However, we cannot assure you that these rectifications will fully satisfy the relevant regulatory authorities' requirements or we will not be subject to investigation or scrutiny from regulators even though we had not yet received any negative opinion or penalty for our historical overseas investments so far. If the NDRC or the MOFCOM imposes any penalties on us or requires us to make any further rectifications, our business and results of operations may be materially and adversely affected.

***The enforcement of the Labor Contract Law of the People's Republic of China, or the PRC Labor Contract Law, and other labor-related regulations in the PRC may increase our labor costs and impose limitations on our labor practices.***

On June 29, 2007, the Standing Committee of the National People's Congress, or the SCNPC, in China enacted the PRC Labor Contract Law, which became effective on January 1, 2008 and was amended on December 28, 2012. The PRC Labor Contract Law introduces specific provisions related to fixed-term employment contracts, part-time employment, probation, consultation with labor unions and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining, which together represent enhanced enforcement of labor laws and regulations. According to the PRC Labor Contract Law, an employer is obliged to sign an unfixed-term labor contract with any employee who has worked for the employer for 10 consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract must have an unfixed term, subject to certain exceptions. The employer must pay economic compensation to an employee where a labor contract is terminated or expires in accordance with the PRC Labor Contract Law, except for certain situations which are specifically regulated. In addition, the government has issued various labor-related regulations to further protect the rights of employees. According to such laws and regulations, employees are entitled to an annual leave ranging from 5 to 15 days and are able to be compensated for any untaken annual leave days due to the employer's reason in the amount of three times of their daily salary.

As a result of these regulations, which are designed to enhance labor protection, we expect our labor costs to increase, as the continued success of our business depends significantly on our ability to attract and retain qualified personnel.

In the event that we decide to change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to affect those changes in a manner that we believe to be cost-effective. In addition, as the interpretation and implementation of these new regulations are still evolving, our employment practices may not be at all times deemed in compliance with the new regulations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and financial condition may be adversely affected.

In addition, on December 28, 2012, the PRC Labor Contract Law was amended to impose more stringent requirements on labor dispatches, and such amendments became effective on July 1, 2013. For example, the number of dispatched contract workers that an employer hires may not exceed a certain percentage of the total number of employees to be decided by the Ministry of Human Resources and Social Security, and the dispatched contract workers can only engage in temporary, auxiliary or substitute work. According to the *Interim Provisions on Labor Dispatch*, or the Interim Provisions, promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014, the number of dispatched contract workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched contract workers). The Interim Provisions further requires the employer that is not in compliance with the above provisions to formulate a plan to reduce the number of its dispatched contract workers to below 10% of the total number of its employees prior to March 1, 2016. Such limitations on use of dispatched labor may increase our labor costs and impose limitations on our employment practices, which may adversely affect our business and profitability.

***Failure to make adequate contributions to various employee benefit plans as required by the PRC regulations may subject us to penalties.***

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurances, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Our PRC operating entities incorporated in various locations in China have not made adequate employee benefit payments and we have recorded accruals for estimated underpaid amounts in our financial statements. We may be required to make up the contributions for these plans as well as to pay late fees and fines.

Regulators may impose penalties and fines with respect to shortfall in social insurance payment. A late payment fee at the rate of 0.05% per day of the outstanding amount from the due date may be imposed, and if such amounts remain outstanding beyond a prescribed time limit, a fine of one to three times of the outstanding amount may be imposed. While there are no explicit quantitative statutory fines or penalties on late payments of housing funds according to Regulations on the Housing Provident Fund (Revised in 2019), the housing accumulation fund management center may order us to pay any housing fund shortfalls immediately. In addition, if we become subject to any fines or penalties in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected.

***Any failure to comply with PRC regulations regarding the registration requirements for employee share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.***

Pursuant to the *Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company*, issued by the SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our directors, executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options became subject to these regulations since our company became an overseas listed company. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China. We also face regulatory

uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

In addition, the State Administration of Taxation, or the SAT, has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the PRC who exercise share options or are granted restricted share units will be subject to PRC individual income tax. The PRC subsidiaries of such an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes in compliance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

***We may be deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, or the EIT Law, and be subject to the PRC taxation on our worldwide income, which may significantly increase our income tax expenses and materially decrease our profitability.***

Under the EIT Law that took effect on January 1, 2008, enterprises established outside of China whose "*de facto* management bodies" are located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to a uniform 25% corporate income tax on their global income (excluding dividends received from "resident enterprises"). In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, which was issued by SAT on April 22, 2009 and most recently amended on December 29, 2017 sets out certain standards for determining whether the "*de facto* management body" of an offshore enterprise controlled by a PRC enterprise is located in China. Although the Circular 82 applies only to offshore enterprises controlled by PRC enterprises, rather than those controlled by Chinese or foreign individuals or foreign enterprises (such as our company), the determining criteria set forth in the Circular 82 may reflect SAT's general position on how the "*de facto* management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of how they are controlled by PRC enterprises. Although our company is not controlled by a PRC enterprise, substantial uncertainties remain as to whether our company or any of our other non-PRC entities will be deemed a PRC resident enterprise for the EIT purposes. If we or any of our subsidiaries registered outside the PRC are to be deemed a "resident enterprise" under the EIT Law, our income tax expenses may increase significantly, and our profitability could decrease materially.

***We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.***

On February 3, 2015, the SAT issued the *Circular on issues of enterprise Income Tax on Indirect Transfer of Assets by Non-PRC Resident Enterprise*, or the SAT Circular 7 pursuant to which if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than prescribed exempted situations including the purchase and sale of shares in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer might be treated as a direct transfer. As a result, the gain derived from such transfer, that is attributable to the PRC taxable properties will be subject to the PRC withholding tax at a rate of 10%. Under the SAT Circular 7, the transfer which meets all of the following circumstances shall be deemed as having no reasonable commercial purpose: (i) over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties; (ii) at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are directly or indirectly constituted by investments within PRC territory, or in the year before the indirect transfer, over 90% of the offshore holding company's total income is directly or indirectly derived from within PRC territory; (iii) the function performed and risks assumed by the offshore holding company and its subsidiaries that directly or indirectly hold PRC taxable properties are insufficient to substantiate its economic substance; or (iv) the foreign income tax imposed on the indirect transfer is lower than the PRC tax that may be imposed in the event of a direct transfer of the PRC taxable properties.

The SAT Circular 7 and its interpretation by relevant PRC authorities clarify that an exemption is available for transfers of shares in a publicly-traded entity that is listed overseas if the purchase of the shares and the sale of the shares both take place in the open market. However, if a shareholder of an entity that is listed overseas purchases shares in the open market and sells them in a private transaction, or purchases shares in a private transaction and sells

them in the open market, the PRC tax authorities might deem such a transfer to be subject to the SAT Circular 7, which could subject such shareholder to additional reporting obligations or tax burdens. Accordingly, if a holder of our shares or ADSs purchases our shares or ADSs in the open market and sells them in a private transaction, or purchases our shares or ADSs in a private transaction and sells them in the open market, and fails to comply with the SAT Circular 7, the PRC tax authorities may take actions, including requesting us to provide assistance for their investigation or impose a penalty on us, which could have a negative impact on our business operations. In addition, since we may pursue acquisitions as one of our growth strategies, and may conduct acquisitions involving complex corporate structures, the PRC tax authorities might impose taxes on capital gains or request that we submit certain additional documentation for their review in connection with any potential acquisitions, which may incur additional acquisition costs, or delay our acquisition timetable.

The PRC tax authorities have discretion under the SAT Circular 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the equity interests transferred and the cost of investment. We may pursue acquisitions in the future that involve complex corporate structures. If we are considered a non-resident enterprise under the EIT Law and if the PRC tax authorities make adjustments to the taxable income of these transactions under the SAT Circular 7, our income tax expenses associated with such potential acquisitions will be increased, which may have an adverse effect on our financial condition and results of operations.

***Our leased property interest may be defective and our right to lease the properties may be affected by such defects, which could cause significant disruption to our business.***

Under the applicable PRC laws and regulations, all lease agreements are required to be registered with the local housing authorities. The landlords of certain of our leased premises in China may have not completed the registration of their ownership rights or our leases with the relevant authorities. Failure to complete these required registrations may expose our landlords, lessors and us to potential monetary fines. If these registrations are not obtained in a timely manner, or at all, we may be subject to monetary fines or may have to relocate our offices, which will incur the associated losses and adversely affect our normal business operations.

***If the settlement reached between the SEC and the Big Four PRC-based accounting firms (including the Chinese affiliates of our independent registered public accounting firms), concerning the manner in which the SEC may seek access to audit working papers from audits in China of U.S.-listed companies, is not or cannot be performed in a manner acceptable to authorities in China and the United States, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.***

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the mainland Chinese affiliates of the "Big Four" accounting firms (including the mainland Chinese affiliate of our independent registered public accounting firm). A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the Chinese accounting firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the Chinese accounting firms reached a settlement with the SEC whereby the proceedings were stayed. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents would normally be made to the CSRC. The Chinese accounting firms would receive requests matching those under Section 106 of the Sarbanes-Oxley Act of 2002, and would be required to abide by a detailed set of procedures with respect to such requests, which in substance would require them to facilitate production via the CSRC. The CSRC for its part initiated a procedure whereby, under its supervision and subject to its approval, requested classes of documents held by the accounting firms could be sanitized of problematic and sensitive content so as to render them capable of being made available by the CSRC to U.S. regulators.

Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice at the end of four years starting from the settlement date, which was on February 6, 2019. Despite the final ending of the proceedings, the presumption is that all parties will continue to apply the same procedures: i.e. the SEC will continue to make its requests for the production of documents to the CSRC, and the CSRC will normally process those requests applying the sanitization procedure. We cannot predict whether, in cases where the CSRC does not authorize production of requested documents to the SEC, the SEC will further challenge

the four PRC-based accounting firms' compliance with U.S. law. If additional challenges are imposed on the Chinese affiliates of the "big four" accounting firms, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these accounting firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our ADSs may be adversely affected.

If the Chinese affiliate of our independent registered public accounting firms was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firms to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of our ADSs from the Nasdaq Global Select Market or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

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

***The trading prices of our ADSs are likely to be volatile, which could result in substantial losses to investors.***

The trading prices of our ADSs have been and are likely to continue to be volatile and have fluctuated and may continue to fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other similarly situated companies that have listed their securities in the U.S. in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of these companies' securities after their offerings may affect the attitudes of investors toward such companies listed in the United States, which consequently may affect the trading performance of our ADSs, regardless of our actual operating performance. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, such as the large decline in share prices in the United States and other jurisdictions. For example, historically the coronavirus pandemic and the volatility in oil prices had a significant negative impact on securities market prices and contributed to increased volatility. These and other factors may continue to affect the broader securities markets and, consequently, our business and results of operations.

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

- variations in our revenues, earnings and cash flow;
- announcements of new product and service offerings, investments, acquisitions, strategic partnerships, joint ventures, or capital commitments by us or our competitors;
- changes in the performance or market valuation of our company or our competitors;
- changes in financial estimates by securities analysts;
- changes in the number of our users and customers;
- fluctuations in our operating metrics;
- failures on our part to realize monetization opportunities as expected;
- additions or departures of our key management and personnel;

- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- detrimental negative publicity about us, our competitors or our industry;
- news regarding governmental or regulatory developments or focus that may affect our industry or us specifically;
- market conditions affecting us or our industry; and
- potential litigations or regulatory investigations.

Any of these factors may result in large and sudden changes in the trading volume and the price at which our ADSs will trade. In the past, shareholders of a public company often brought securities class action suits against the listed company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

***We have granted and may grant additional employee share options and other share-based compensation awards in the future. Any additional grant of employee share options and other share-based compensation awards in the future may have a material adverse effect on our results of operations.***

We have adopted and may adopt employee share option plans for the purpose of granting share-based compensation awards to our employees, officers, directors and other eligible persons to incentivize their performance and align their interests with ours. For more information on these share incentive plans, see Item 6. B "Compensation-2018 Share Incentive Plan" and "-2019 Performance Incentive Plan." As a result of these grants and potential future grants, we expect to continue to incur significant share-based compensation expenses in the future. The amount of these expenses is based on the fair value of the share-based awards. We account for compensation costs for all share options using a fair-value-based method and recognize expenses in our combined and consolidated statements of comprehensive income and other comprehensive income in accordance with U.S. GAAP. The expenses associated with share-based compensation will decrease our profitability, perhaps materially, and the additional awards issued under share-based compensation plans will dilute the ownership interests of our shareholders, including holders of our ADSs. However, if we limit the scope of our share-based compensation plan, we may not be able to attract or retain key personnel who expect to be compensated by such share-based awards.

***Our investors may experience dilution if we issue additional shares or ADSs.***

We have in the past issued additional equity or securities convertible into equity, and we may do so again in the future. In 2021 we offered and sold an aggregate of US$155.0 million principal amount of convertible notes which may be converted into our ADSs. Additionally, in 2024, we completed our follow-on public offering of 17,250,000 of our ADSs, at a public offering price of US$6.25 per ADS, each representing 15 of our Class A ordinary shares. The issuance of additional equity, including pursuant to the conversion of our outstanding convertible notes, would result in further dilution to our shareholders and may result in a decline in the market value of our ADSs.

***We incur increased costs as a result of being a public company.***

We have incurred and expect to continue to incur significant legal, accounting and other expenses as a result of our becoming a public company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and Nasdaq, imposes various requirements on the corporate governance practices of public companies. These rules and regulations increase our legal and financial compliance costs and make some corporate activities more time-consuming and costly. Additionally, now that we are no longer an "emerging growth company," we have incurred and

expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the other rules and regulations of the SEC.

***The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our ADSs could adversely affect their market price.***

Sales of substantial amounts of our ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. There were 169,686,712 ADSs (equivalent to 2,545,300,680 Class A ordinary shares) outstanding as of March 31, 2025. We may also issue additional options in the future that may be exercised for additional Class A ordinary shares. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

***Our dual-class share structure with different voting rights limits investors' ability to influence corporate matters and could discourage others from pursuing any change of control transactions.***

We have and will maintain a dual-class share structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of shareholders, a holder of Class B ordinary shares is entitled to 20 votes per share, while holders of Class A ordinary shares are entitled to one vote per share based on our dual-class share structure. Each Class B ordinary share is convertible into one Class A ordinary share by the holder thereof, subject to certain conditions, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale of Class B ordinary shares by a holder thereof to any person other than Mr. Tianhua Wu or any entity which is not a permitted affiliate to Mr. Tianhua Wu, such Class B ordinary shares are automatically and immediately converted into the same number of Class A ordinary shares.

Mr. Tianhua Wu and his family beneficially own all of our issued Class B ordinary shares. As of March 31, 2025, these Class B ordinary shares constitute 3.48% of our total issued and outstanding share capital and 43.48% of the aggregate voting power of our total issued and outstanding share capital due to the disparate voting powers associated with our dual-class share structure. See Item 7.A "Major Shareholders." As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our ADSs. This concentrated control limits holders of our Class A ordinary shares and ADSs ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

***As a result of Mr. Tianhua Wu's control of our Class B ordinary shares, Mr. Wu will effectively control the outcome of shareholder actions in our company and may take actions that might not be beneficial to holders of our Class A ordinary shares or ADSs.***

Mr. Tianhua Wu holds the voting rights attached to all of our Class B ordinary shares and to all of the options or restricted share units awarded under the 2018 Share Incentive Plan, 2019 Performance Incentive Plan and Amended and Restated 2019 Performance Incentive Plan. As each Class B ordinary share entitles its holder to 20 votes per share, such Class B ordinary shares in the aggregate represent approximately 43.48% of the combined total voting rights in our company. Mr. Wu's Class A and Class B ordinary shares give him the power to control any actions that require shareholder approval under Cayman Islands law, our memorandum and articles of association, and the Nasdaq requirements. Mr. Wu could have sufficient voting rights to determine the outcome of all matters requiring shareholder approval even if he should, at some point in the future, hold considerably less than a majority of the combined total of our outstanding ordinary shares. Mr. Wu's voting power may prevent a transaction involving a change of control of us, including transactions in which holders of our Class A ordinary shares or ADSs might otherwise receive a premium for securities over the then-current market price. Similarly, Mr. Wu may approve a merger or consolidation of our company which may result in holders of our Class A ordinary shares or ADSs receiving a stake (either in the

form of shares, debt obligations or other securities) in the surviving or new consolidated company which may not operate our current business model and dissenter rights may not be available to such holders in such an event.

***We are a foreign private issuer under the Exchange Act and therefore are exempt from certain provisions applicable to U.S. domestic public companies.***

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including but not limited to:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results in press releases, distributed pursuant to the rules and regulations of the Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, investors may not avail themselves of the same information or protection that would be available to investors in a U.S. domestic issuer.

***Because we are a foreign private issuer organized under the laws of a non-U.S. country, it may be more difficult for investors and regulators to bring actions against us and our officers and directors.***

We are organized under the laws of the Cayman Islands, and many of our subsidiaries are organized under the laws of other jurisdictions outside the United States, including the PRC, Hong Kong, New Zealand, Singapore, and Australia. Because we and many of our subsidiaries are not U.S. companies and carry out a majority of our operations outside the United States, it may be more difficult for investors and regulators to bring suits against us and our management, including class action securities law and fraud claims, than it would be to bring claims against a U.S. company.

***As a foreign private issuer with ADSs listed on the Nasdaq Global Select Market, we follow certain home country corporate governance practices instead of certain Nasdaq requirements.***

As a foreign private issuer whose ADSs are listed on the Nasdaq Global Select Market, we are permitted to follow certain home country corporate governance practices instead of certain Nasdaq requirements. A foreign private issuer that elects to follow its home country practice must submit to The Nasdaq Stock Market LLC a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. In addition, a foreign private issuer must disclose in its annual reports filed with the SEC each Nasdaq requirement with which it does not comply followed by a description of its applicable home country practice.

As a company incorporated in the Cayman Islands with ADSs listed on the Nasdaq Global Select Market, we follow our home country practice instead of Nasdaq requirements that mandate that:

- the board of directors be comprised of a majority of independent directors;
- the directors be selected or nominated by a majority of the independent directors or a nomination committee comprised solely of independent directors;

- the board of directors adopt a formal written charter or board resolution addressing the director nominations process and such related matters as may be required under the U.S. federal securities laws; and

- the compensation of our executive officers be determined or recommended by a compensation committee comprised solely of independent directors.

***The dual-class structure of our ordinary shares may adversely affect the trading market for our ADSs.***

Certain shareholder advisory firms have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our ordinary shares may prevent the inclusion of our ADSs representing Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our ADSs. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our ADSs.

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

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

***Judgments obtained against us and our directors and officers by our shareholders may not be enforceable in our home jurisdiction.***

We are a Cayman Islands company and a significant percentage of our current brokerage operations are conducted in New Zealand. In addition, a significant majority of our current directors and officers are nationals and residents of jurisdictions other than the United States, including China. As a result, it may be difficult or impossible for shareholders to bring an action against us or against these individuals in the United States in the event that they believe that their rights have been infringed under the U.S. federal securities laws, including the civil liability provisions of the U.S. securities laws, or otherwise. Even if shareholders are successful in bringing an action of this kind, the laws of the Cayman Islands, New Zealand, China and other jurisdictions where we operate may render them unable to enforce a judgment against our assets or the assets of our directors and officers. There are uncertainties as to whether Cayman Islands courts would:

- recognize or enforce against us, judgments of courts of the U.S. based on certain civil liability provisions of the U.S. securities laws; and

- impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of the U.S. securities laws that are penal in nature.

There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will under certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public

policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.***

The trading market for our ADSs depends in part on the research and reports that securities or industry analysts publish about us or our industry. If research analysts do not establish and maintain adequate research coverage or if the analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our industry, the market price for our ADSs might decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our ADSs to decline.

***The depositary for our ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if holders of our ADSs do not vote at shareholders' meetings, except under limited circumstances, which could adversely affect our ADS holders' interests.***

Under the deposit agreement for the ADSs, if a holder of our ADSs does not give instructions for voting the Class A ordinary shares underlying their ADSs, the depositary will give us a discretionary proxy to vote those Class A ordinary shares at the shareholders' meeting unless:

- we have failed to timely provide the depositary with a notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that holders of our ADSs cannot prevent our Class A ordinary shares underlying their ADSs from being voted at the shareholder meeting, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our Class B ordinary shares are not subject to this discretionary proxy.

***The deposit agreement may be amended or terminated without the consent of holders of our ADSs.***

We and the depositary may amend or terminate the deposit agreement without the consent of holders of our ADSs. Such amendment or termination may be done in favor of our company. Holders of our ADSs are entitled to a prior notice in the event of a materially prejudicial amendment or termination thereof. If holders continue to hold their ADSs after an amendment to the deposit agreement, they agree to be bound by the deposit agreement as amended. The deposit agreement may be terminated at any time upon a prior written notice. Upon the termination of the deposit agreement, our company will be discharged from all obligations under this deposit agreement except for its obligations to the depositary thereunder.

***If we do not pay dividends in the future, investors must rely on price appreciation of our ADSs for return on your investment.***

Our board of directors may from time to time declare dividends or authorize other distributions to our shareholders, subject to certain restrictions under the Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid out of share premium if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. In

addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on an investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which investors purchased the ADSs. Investors may not realize a return on their investment in our ADSs and may even lose their entire investment in our ADSs.

***Holders of our ADSs may not receive dividends or other distributions on our Class A ordinary shares and may not receive any value for them, if it is illegal or impractical to make them available to.***

To the extent that we decide to pay a dividend or make other distributions in the future, the depositary of our ADSs has agreed to pay to holders of our ADSs such cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. Holders of our ADSs will receive these distributions in proportion to the number of Class A ordinary shares their ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if there are securities that require the registration under the Securities Act but such securities are not properly registered or distributed under an applicable exemption from the registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under the U.S. securities laws any ADSs, Class A ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, Class A ordinary shares, rights or anything else to holders of ADSs. This means that holders of our ADSs may not receive distributions we make on our Class A ordinary shares or any value for them if it is illegal or impractical to make them available to them. These restrictions may cause a material decline in the value of our ADSs.

***Holders of our ADSs may be subject to limitations on the transfer of ADSs.***

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offerings when the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays in the United States. The depositary may refuse to deliver, transfer or register the transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary think that it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement. As a result, holders of our ADSs may be unable to transfer their ADSs when they wish to under these circumstances.

***Our amended and restated memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit our shareholders' opportunity to sell their shares, including Class A ordinary shares represented by the ADSs, at a premium.***

The Company operates pursuant to a fourth amended and restated memorandum and articles of association. Some provisions of our fourth amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that: authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and limit the ability of shareholders to requisition and convene general meetings of shareholders. Under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our fourth amended and restated memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company. However, these provisions could still have the effect of depriving our

shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction.

***There is a substantial risk that we will be a passive foreign investment company, or PFIC, for 2024 and future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. investors in our ADSs or Class A ordinary shares.***

In general, a non-U.S. corporation is a PFIC for U.S. federal income tax purposes for any taxable year in which (i) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income, or (ii) 75% or more of its gross income consists of passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest (and income equivalent to interest), investment gains and certain rents and royalties. Cash is generally a passive asset for these purposes. The value of goodwill and other intangibles is generally treated as an active asset to the extent attributable to business activities that produce active income.

Our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time and therefore may change from year to year. Our annual PFIC status is subject to significant uncertainties. For example, because we hold, and will continue to hold after this offering, a substantial amount of cash and cash equivalents, our annual PFIC status will depend in part on the value of our goodwill and other intangible assets for the relevant taxable year. The value of our goodwill and other intangible assets may be determined, in part, by reference to our market capitalization, which has been, and may continue to be, volatile. If the value of our goodwill and other intangible assets is so determined, our annual PFIC status will be affected by fluctuations of our market capitalization. In addition, the extent to which our goodwill and other intangible assets should be treated as active is not entirely clear, and we may be a PFIC if a significant portion of our goodwill and other intangible assets is treated as passive. Furthermore, it is not entirely clear whether certain items of our assets and liabilities shown on our balance sheet should be disregarded for purposes of the PFIC rules. For example, it is not entirely clear whether portions of the cash and other assets reflected on our balance sheet should be excluded from the value of our assets to the extent they are held for, or attributable to, our customers and are treated as our customers' assets for certain local law purposes ("customers' assets"). We believe it is reasonable to treat such customers' assets as not forming part of our assets for PFIC purposes, but there can be no assurance that the Internal Revenue Service, or the IRS, will not successfully challenge this position, in which case we will likely be a PFIC. The extent to which certain of such customers' assets (and corresponding liabilities) should be so disregarded for purposes of the PFIC rules is also not entirely clear. In addition, it is not entirely clear how the contractual arrangements between us and our VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if our VIEs are not treated as owned by us for these purposes. While we believe it is reasonable to determine that we are not a PFIC for 2024, there can be no assurance regarding our PFIC status because the PFIC determination is highly factual. For these reasons, there is a substantial risk we are a PFIC for 2024 and will be a PFIC in future taxable years.

If we are a PFIC for any taxable year during which a U.S. taxpayer owns ADSs or Class A ordinary shares, the U.S. taxpayer generally will be subject to adverse U.S. federal income tax consequences (generally, regardless of whether we cease to be a PFIC for subsequent taxable years), including increased tax liability on disposition gains and certain "excess distributions" and reporting requirements. For more information on the U.S. tax consequences to certain U.S. investors that would result from our classification as a PFIC, see Item 10.E "Taxation-Material United States Federal Income Taxation-Passive Foreign Investment Company Rules."

Under certain attribution rules, certain of our non-U.S. subsidiaries are expected to be treated as controlled foreign corporations for U.S. federal income tax purposes, and, as a result, there could be adverse U.S. federal income tax consequences to U.S. investors that own our ADSs or Class A ordinary shares (directly or indirectly) and are treated as "Ten Percent Shareholders."

Certain "Ten Percent Shareholders" (as defined below) in a non-U.S. corporation that is a controlled foreign corporation, or a CFC, for U.S. federal income tax purposes generally are required to include in income for U.S. federal income tax purposes their pro rata share of the CFC's "Subpart F income," investment of earnings in U.S. property and "global intangible low taxed income," even if the CFC has made no distributions to its shareholders. A

non-U.S. corporation generally will be a CFC for U.S. federal income tax purposes if Ten Percent Shareholders own, directly, indirectly or constructively (through attribution), more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a United States person (as defined by the U.S. Internal Revenue Code of 1986, as amended) that owns directly or indirectly, or is considered to own constructively, 10% or more of the total combined voting power of all classes of stock entitled to vote of such corporation or 10% or more of the total value of the stock of such corporation. We are not expected to be a CFC. However, the determination of CFC status is complex and includes certain "downward attribution" rules pursuant to which certain of our non-U.S. subsidiaries are expected to be treated as constructively controlled by our U.S. subsidiaries and therefore our non-U.S. subsidiaries are expected to be treated as CFCs. We do not intend to provide information to Ten Percent Shareholders that may be required in order for those shareholders to properly report their U.S. taxable income with respect to our or our subsidiaries' operation. Prospective investors that may be or become Ten Percent Shareholders who directly or indirectly own our ADSs or Class A ordinary shares should consult their tax advisers with respect to the potential adverse tax consequences of investing in us.

## Item 4. Information on the Company

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

UP Fintech Holding Limited, known commercially in the Asia-Pacific region as "Tiger Brokers", is a Cayman Islands exempted company incorporated in January 2018 and operating under the Companies Law of the Cayman Islands. As of the date of this report, our authorized share capital is US$50,000 divided into 5,000,000,000 shares.

We commenced our technology research and development in June 2014 through Beijing Xiangshang Rongke Technology Development Co., LTD, or Beijing Rongke, formerly known as Ningxia Xiangshang Rongke Technology Development Co., LTD, or Ningxia Rongke.

In August 2015, Beijing Rongke acquired a New Zealand registered financial service provider, Tiger Holdings Group Limited, formerly known as Transaction Holdings (N.I.) Limited. In August 2016, Beijing Rongke acquired Tiger Brokers (NZ) Limited, also a registered financial service provider in New Zealand. Substantially all of our revenues were generated from Tiger Holdings Group Limited in 2016 and 2017, and from Tiger Brokers (NZ) Limited in 2018 and 2019. Tiger Brokers (NZ) Limited was known as Top Capital Partners Limited prior to June 2019.

**Reorganization, IPO and Acquisition of TradeUP Securities**

To facilitate foreign investment in our business, starting from early 2018, we began to establish an offshore holding structure for our company. As part of the efforts, we incorporated a Cayman Islands exempted company, UP Fintech Holding Limited, or our company, as our offshore holding company in January 2018. In February 2018, we established Up Fintech International Limited in Hong Kong, or Up International, as our intermediate holding company, which in turn established our WFOEs, Beijing Bohu, formerly known as Ningxia Xiangshang Yixin Technology Co., LTD, or Ningxia Yixin in May 2018, and Beijing Xiangshang Yixin Technology Co., LTD, or Beijing Yixin, in July 2018.

To enable our effective control over the PRC operating entities and their subsidiaries including Tiger Brokers (NZ) Limited (at the time), Beijing Bohu entered into variable interest entity, or VIE, contractual arrangements with Beijing Rongke, and Beijing Yixin entered into substantially similar VIE arrangements with Beijing Xiangshang Yiyi Technology Co., LTD, or Beijing Yiyi, which we collectively refer to as the VIEs in this report, and their respective shareholders. These contractual arrangements enable us to exercise effective control over the VIEs and their respective subsidiaries, receive substantially all of the economic benefits of such entities, and have an exclusive option to purchase all or part of the equity interests in and assets of them to the extent permitted by the applicable laws and regulations. For more details, please see "Item 3. Key Information – Contractual Arrangements with the VIEs and Their Respective Shareholders."

In June 2018, we formed a wholly-owned subsidiary Up Fintech Global Holdings Limited in British Virgin Islands, or BVI, first as the holding company to hold our wholly-owned U.S. entity, Tiger Fintech Holdings Inc., or Tiger Fintech Holdings and later as the holding company to hold our subsidiaries in other jurisdictions. In August 2018,

Tiger Fintech Holdings acquired 100% of the equity interests of Wealthn LLC, a registered investment advisor in the United States. Wealthn LLC provides investment advisory services for high-net-worth individuals, family offices and other clients. In November 2018, Tiger Fintech Holdings completed the acquisition of 100% of the equity interests in US Tiger Securities, Inc. (formerly known as JFD Securities, Inc.), a U.S. registered broker-dealer.

In July 2018, we established another wholly-owned subsidiary Xiangshang Upfintech Holding Limited, a BVI company, to hold other licensed operating companies including its wholly-owned operating entity in Singapore, Tiger Fintech (Singapore) Pte. Ltd., which was established in March 2018. In October 2018, Beijing Rongke transferred all equity interests in Tiger Brokers (NZ) Limited to Tiger Fintech (Singapore) Pte. Ltd. As a result, Tiger Brokers (NZ) Limited is no longer held by the VIEs in China. In November 2018, Tiger Brokers (NZ) Limited acquired 100% of the equity interests in Fleming Funds Management PTY Limited ("Fleming"), which was established in Australia in January 2006 and has been authorized as a licensed financial services provider in Australia since July 2006.

In September 2018, we established JV Uptech Holding Limited in BVI as a holding company to expand our business in Hong Kong. In October 2018, JV Uptech Holding Limited acquired 100% of the equity interests in Kastle Limited, which, in January 2019, was granted a license to carry on trust and company service business in Hong Kong, and in September 30, 2022, was registered as a Trust Company under section 78(1) of the Trustee Ordinance (Cap. 29). In January 2019, we entered into an agreement to purchase 100% equity interest of Tung Chi Consulting Limited, a licensed insurance broker in Hong Kong, and the acquisition completed in February 2019. Subsequently, in March 2025, we completed the transfer of 100% of the equity in Tung Chi Consulting Limited to a third party for strategic focusing on core business.

In March 2019, we completed our initial public offering of 14,950,000 of our ADSs, each representing 15 of our Class A ordinary shares. Concurrently, one of our existing shareholders, IB Global Investments LLC, a member of the Interactive Brokers Group of companies, purchased 13,125,000 Class A ordinary shares in a private placement.

In July 2019, we acquired 100% of the equity interests in TradeUP Securities for total consideration of US$9,348,290 in a combination of US$6,348,290 of cash and US$3,000,000 of Class A ordinary shares of the Company. TradeUP Securities is a licensed U.S. self-clearing broker-dealer that focuses on empowering self-directed investors with the necessary tools to manage their portfolios. TradeUP Securities brings in rich broker dealer experience in execution and clearing.

**Recent Developments**

In February 2021, we completed a financing transaction in which a group of investors led by an affiliate of Xiaomi Corporation (the "Investors") purchased convertible notes in an aggregate principal amount of US$44 million through a private placement. The convertible notes will mature in 2026 unless previously converted. On September 27 and 30, 2021, we and the Investors entered into an amendment agreement with a cash conversion feature added into the original convertible note purchase agreement. Upon conversion, we will pay or deliver, as the case may be, cash, ADSs, or a combination of cash and ADSs, at our election.

In April 2021, we completed a financing transaction in which a group of investors purchased convertible notes in an aggregate principal amount of US$90 million through a private placement. The convertible notes will mature in 2026 unless previously converted.

In May 2021, we completed a financing transaction with an investor purchased convertible notes in an aggregate principal amount of US$21 million through a private placement. The convertible notes will mature in 2026 unless previously converted.

In June 2021, we completed our follow-on public offering of 6,500,000 of our ADSs, at a public offering price of US$24.5 per ADS, each representing 15 of our Class A ordinary shares.

In October 2021, we completed the acquisition of Ocean Joy, and its sole subsidiary, a firm licensed with the Hong Kong Securities and Futures Commission for Type 1 (Dealing in Securities) and Type 2 (Dealing in Futures Contracts)

regulated activities. Upon the completion of the acquisition, we started to prepare to operate the brokerage business in Hong Kong.

In August 2022, our wholly owned subsidiary Tiger Brokers HK was granted by the Hong Kong Securities and Futures Commission licenses for Type 4 Advising on Securities and Type 5 Advising on Futures Contracts regulated activities, which we believe will allow us to provide more types of service in the future to our clients in Hong Kong.

In November 2022, we closed an angel round of financing, and in April 2023, we closed a Pre-A round of financing. As a result, the angel round investors and Pre-A round investors now hold a 27.6% and 3.1% stake respectively in the subsidiary through which we conduct our ESOP business. Going forward, the ESOP business may continue to seek new rounds of external equity financing, depending on market conditions and its business needs. We believe the financing will allow us to better serve our ESOP clients.

In January 2024, our wholly owned subsidiary Tiger Brokers HK has officially upgraded its Type 1 license to include virtual asset dealing service, making it one of the first mainstream online brokerage firms in Hong Kong to receive approval for such a license upgrade. This successful upgrade opens the door for providing cryptocurrency trading services to Professional Investor clients in Hong Kong through its flagship platform, Tiger Trade.

In March 2024, SFC has officially granted a Type 9 license (Asset Management) to Tiger Brokers HK, authorizing Tiger Brokers HK to provide asset management services, including discretionary accounts service to both retail clients and professional investors and asset management service to collective investment schemes offered to professional investors only.

In October 2024, we completed our follow-on public offering of 17,250,000 of our ADSs, at a public offering price of US$6.25 per ADS, each representing 15 of our Class A ordinary shares.

In January 2025, SFC granted YAX (Hong Kong) Limited, our wholly owned subsidiary, a virtual asset trading platform (VATP) license to operate its virtual asset trading platform.

**Our Corporate Information**

The locations of our principal executive offices are 1 Raffles Place, #35-61 One Raffles Place, Singapore (048616) and 18/F, Grandyvic Building, No. 1 Building, No. 16 Taiyanggong Middle Road, Chaoyang District, Beijing, 100020 PRC and our telephone number in China at this address is +86-10-56216660. Our registered office in the Cayman Islands is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and our telephone number in Cayman Islands at this address is +1 345-769-9372. Our agent for service of process in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204 Newark, Delaware 19711 and the telephone number of our agent is +302-738-6680.

Investors should contact us for any inquiries through the address and telephone number of our principal executive offices. Our website is *www.itigerup.com*. Information contained in, or accessible through, our website is not a part of, and is not incorporated into, this report.

**Contractual Arrangements with the VIEs and Their Respective Shareholders**

The information set forth under “Item 3. Key Information – Contractual Arrangements with the VIEs and Their Respective Shareholders” is incorporated by reference herein.

**Capital Expenditures and Divestitures**

For a description, including the amount invested, of the Company’s principal capital expenditures (including interests in other companies) for the years ended December 31, 2022, 2023 and 2024, see Item 5.B “Liquidity and Capital Resources-Capital Expenditures,” which disclosure is incorporated by reference in this item.

The Company did not make any material divestitures for the years ended December 31, 2022, 2023 and 2024.

To date, the Company has not made any capital expenditures or divestitures in calendar year 2025 that were not in the ordinary course of business.

**More Information**

The SEC maintains an internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. The Company's SEC filings can be found there and on the Company's website at https://ir.itigerup.com/financials/sec-filings.

***B. Business Overview***

We are a leading integrated financial technology platform providing cross-market, multi-product investment experience for investors around the world. We primarily operate a one-stop digital brokerage platform, which serves as a gateway for retail and corporate clients. Underpinned by the brokerage services, we have successfully expanded our product offerings to ESOP management, IPO distribution, and wealth management. These integrated product offerings are highly synergetic and have significantly increased the average revenue per user and customer lifetime value.

We offer comprehensive brokerage services through our integrated single-account structure, which empowers users in trade execution, margin financing and securities lending across different global markets. We also provide value-added services, such as investor education, community engagement and IR/PR platform, all within a few taps or clicks through APP on smartphone, tablet and PC terminals. In addition, we offer ESOP management services to soon-to-be listed and listed companies, which enable them and their employees to manage their equity incentive schemes in a convenient and simplified manner and enables us to build better connections with the institutional investors of the mentioned firms. Moreover, we serve such issuers whom we expect to have a greater chance of cross-selling our IPO distribution services, while retaining such employees with equity incentive awards to trade and invest on our platform. As of December 31, 2024, we have served 613 corporate clients via our ESOP business. Furthermore, IPO distribution is also an integral part of our comprehensive services package and is a major focus for our future growth. It not only helps us strengthen our relationship with corporate clients, but also provides IPO subscription opportunities for our retail clients. In 2024, we participated in 48 U.S. and Hong Kong IPOs. In further, we offer ESOP employees and other brokerage customers personalized asset management and wealth management services at competitive prices, such as pre-IPO shares, overseas fund products or bonds, which then lead our users to allocate more of their wealth on our platform.

We keep optimizing our product and user experience, which we believe is the key to our long-term success. Our all-in-one experience adopted a comprehensive risk methodology enabling users to trade multi-asset classes across different markets in one integrated account. Our agile and scalable infrastructure enables us to enter new markets such as Hong Kong, Australia and other jurisdictions in a more efficient way. In addition, we distinguish ourselves in the market by moving up to the high-entry-barrier sector of self-clearing in the U.S. with acquisition of TradeUP Securities in 2019. We have restructured and upgraded the clearing system of TradeUP Securities to achieve high business flexibility. By the end of the fourth quarter of 2024, we have self-cleared over 90% of U.S. cash equity and option traded on our platform, further improved our operating efficiency and profit margin.

Our IPO underwriting business experienced significant growth between 2023 and 2024. It is an integral part of our comprehensive services package. In 2024, we participated in 16 U.S. IPOs (up from 4 in 2023), in 9 of which the Company's wholly-owned subsidiaries Tiger Brokers (NZ) Limited or US Tiger Securities, Inc. served as the underwriter (up from 4 in 2023). In 2024, the Company participated in 32 Hong Kong IPOs. Since venturing into investment banking, the Company has participated in underwriting the offerings of over 190 companies for listings in Hong Kong and the US, which gains industry recognition.

We keep optimizing our topline mix to overcome market volatility. While we primarily generate revenues by charging our customers commission fees for trading of securities, we also earn interest income or financing service fees arising from or related to margin financing and securities borrowing and lending transactions provided by ourselves or third parties to our customers for trading activities, as well as other income from IPO distribution, and wealth management.

We generate revenues primarily by charging our customers commission fees for trading of securities as well as earning interest income or financing service fees arising from or related to margin financing and securities borrowing and lending transactions provided by ourselves or third parties to our customers for trading activities. Our revenues were US$225.4 million, US$272.5 million and US$391.5 million in 2022, 2023 and 2024, respectively. We generated net income of US$33.0 million and US$61.4 million in 2023 and 2024, respectively and recorded net losses of US$2.3 million in 2022. Our revenues in 2022, 2023 and 2024 were mainly generated in New Zealand, the U.S. and Singapore. Our New Zealand, U.S. and Singapore subsidiaries have contributed over 92.0% of total revenues for the year ended December 31, 2024. For a further description of the breakdown of our total revenues, see "Item 5. – A Operating Results," which disclosure is incorporated by reference in this item.

**Our Strategies**

Harnessing our comprehensive product offerings and proprietary cutting-edge technology, we are well positioned to meet the distinct needs of global investors and capitalize on the structural advantages inherent in the broader macro trends: online migration, booming retail participation and rising private wealth, each of these secular trends bolsters the growth of online investing and our business.

We intend to strengthen our competitive position and proactively grow our business by pursuing the following strategies:

***Expand internationally to serve investors around the world***

We plan to leverage our first-mover advantage to seize opportunities in the digital brokerage sector. Through our highly extensible and scalable technology platform, we intend to leverage our proven track record and experience of global expansion and deep local market insights to broaden our foothold and gain market share in selective markets. We have already obtained licenses to operate our brokerage business in the United States, Hong Kong, Singapore, New Zealand and Australia. We will continue to opportunistically evaluate and pursue licenses or acquisitions to enhance our offerings and accelerate growth objectives in existing or new product verticals.

***Broaden and capitalize on our customer base***

We grow with our customers as their investment needs evolve with adoption of more products and services on our platform. We aim to develop a robust long-term customer relationship which helps us deepen investor engagement and retention, and increase relationship balance overtime. To achieve this, we will continue to invest in enhancing user experience and optimizing product offerings of our platform, and foster our online investor community with high-quality, differentiated contents.

As we introduce our users to a wider investment world, we grow with them. We will continue to serve as a lifetime investment companion to our users through enhanced contents and tools, optimized platform features and incentive schemes that allow users to better trade, learn, practice, communicate, share and harvest with us. We have an expansive base of high-quality corporate clientele which are highly synergetic to a number of our businesses such as brokerage and margin financing.

We will continue to foster the deep connection between our retail and corporate clients and leverage the powerful flywheel inherent in our business model to accelerate growth and crystallize operating synergies. Through our comprehensive service matrix that educates and nurtures users on our IR platform, and proactively initiates interactive events and campaigns for listed companies and investors, we will continue to bridge communication between our retail and corporate clients, and in turn enhance customer conversion and engagement overtime.

***Extend the breadth and depth of our offerings***

Our business thrives on constant expansion and relentless innovation of products and services. We will solidify our position as the platform of choice for online investing to customers of all types throughout economic cycles.

We intend to continue focusing on a comprehensive and diversified suite of offerings to encompass:

- Cross-market, multi-product investment experiences and product capabilities, including local-market equities, fund products and new economy investment assets; and

- Innovative investing tools that leverage our strong product know-how to offer fund selection and portfolio construction not only to our customers, but also to our corporate clients to enable better services to their own clients.

We intend to grow wealth management services through deepening relationships with product providers, while at the same time enhancing product innovation and portfolio construction capabilities, which allow us to offer more robust product matching and customization with greater transparency. In particular, we aim to further increase and diversify investment products available on our platform and to enhance our research and investment expertise to increase the competitiveness of our asset management and wealth management services. We also aim to provide asset management and wealth management services to a greater number of high net worth individuals as well as institutional and corporate customers. We will also continue to engage in product innovation and content enrichment through our strong and proven R&D capabilities.

***Strengthening investment in core infrastructure and technology***

To cement our technology leadership in the industry, we are committed to continuous investment in enhancing reliability, functionality, scalability and performance of our proprietary technology system. For example, we have adopted a hybrid cloud infrastructure around the world, which allows us to retain flexibility while ensuring security, via a public cloud for conducting non-sensitive information and a private cloud for processing and storing business-critical data. We will seek to partner with leading cloud service providers to maintain and enhance the agility of our technology infrastructure.

We will continue to invest in core infrastructure to strengthen our front-to-back technology and support foray into new capabilities and markets. We aim to further improve user experience by modularizing our APPs, which allows us to achieve high reusability and quality, while at the same time maintaining flexibility to tailor particular modules to fit the needs of our cross-cultural customers. We will continue to enhance our technology in order management, algorithmic trading, risk control and market access. Following our strategic acquisition of TradeUP Securities in 2019, we have restructured and upgraded its clearing system to achieve high business flexibility. Now, we self-clear a majority for U.S. and Hong Kong cash equities trades, which brings down our total clearing expense, and we will continue to invest in the development of our self-clearing capabilities in the US and other markets in the future.

We will further develop AI, big data and algorithmic capabilities to optimize our value propositions and improve operating efficiency, including:

- Continuous investment into our advanced data warehouse and user profiling systems to empower marketing intelligence, which allows us to optimize customer experience through more personalized product offerings and recommendations, and enhancing user engagement and retention via our persistent focus on precise client management, customer profiling and labelling;

- Integrating artificial intelligence and quantitative modelling tools into our platform, therefore making our platform increasingly smart and agile when offering financial advisory and portfolio construction to our customers. We launched TigerGPT in 2023 and updated it to TigerAI in 2024. TigerAI is an AI investment assistant aimed at providing intelligent decision-making support for investors developed by Tiger Brokers' R&D team and based on leading AI models; and

- Continuous cost optimization and improvement of operating efficiency through process automation.

**Our Core Products and Services**

***Brokerage Services***

*Overview*

We deliver a comprehensive and user-friendly online trading experience for investors through our platform that can be accessed through our APP or website. Our services became accessible on the website and through our flagship APP, Tiger Trade, in August 2015. Currently our trading platform enables our customers to execute trades in a secure, reliable and cost-efficient environment. Our trading platform also encompasses an abundance of complementary services that help our customers make informed investment decisions.

Our platform allows investors to trade stocks, options, warrants and other financial instruments listed on the major stock exchanges around the world, including but not limited to Nasdaq, New York Stock Exchange and Hong Kong Stock Exchange as well as A shares which are eligible under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programs. Our customers can also trade futures contracts, trade on margin and short sell on our trading platform.

The aggregate trading volume amounted to US$198.0 billion during the fourth quarter of 2024. Below is the table of the operating data as of the dates or for the periods indicated.

| | As of and for the Three Months Ended | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar 31, 2022 | Jun 30, 2022 | Sep 30, 2022 | Dec 31, 2022 | Mar 31, 2023 | Jun 30, 2023 | Sep 30, 2023 | Dec 31, 2023 | Mar 31, 2024 | Jun 30, 2024 | Sep 30, 2024 | Dec 31, 2024 |
| Number of customer accounts (in thousands) | 1,896.2 | 1,935.0 | 1,970.4 | 2,008.0 | 2,060.5 | 2,119.1 | 2,147.9 | 2,195.7 | 2,247.4 | 2,307.9 | 2,368.0 | 2,449.3 |
| Number of customers with deposits (in thousands) | 703.5 | 731.4 | 754.1 | 781.5 | 811.9 | 840.9 | 865.5 | 904.6 | 933.4 | 982.3 | 1,032.8 | 1,092.0 |
| Number of trading customers (in thousands) | 523.0 | 540.0 | 552.5 | 563.7 | 580.0 | 596.3 | 609.1 | 627.1 | 642.3 | 668.6 | 725.4 | 760.9 |
| Total account balance [1][3] (in US$millions) | 15,210.3 | 14,860.2 | 12,958.9 | 14,005.3 | 16,128.5 | 17,269.4 | 18,878.5 | 30,597.5 | 32,872.1 | 38,188.6 | 40,763.6 | 41,725.2 |
| Trading volume [3] (in US$millions) | 91,016.9 | 85,475.8 | 78,161.3 | 68,541.9 | 67,044.1 | 65,135.9 | 80,250.7 | 81,765.2 | 85,410.6 | 105,860.0 | 162,990.0 | 198,016.9 |
| Daily average trading volume[2][3] (in US$millions) | 1,492.1 | 1,356.8 | 1,221.3 | 1,071.0 | 1,099.1 | 1,033.9 | 1,253.9 | 1,277.6 | 1,314.0 | 1,628.6 | 2,469.5 | 3,000.3 |

Notes:

(1) Represents the total balance of all customers' deposits on our platform as of the respective date.

(2) Calculated based on the average number of trading days during the period of the U.S. and Hong Kong exchanges.

(3) As of December 31, 2024, 345,105 of our customers had conducted at least one trading transaction on our platform in the preceding 12 months.

*Trading Platform Interface*

The user interface of our trading platform compartmentalizes services into six major functions: home, discover, wealth, community, portfolio and profile.

- *Home.* The homepage supports users in configuring modules according to their preferences, enabling them to quickly view their holdings, assets, top movers stocks, set up auto-invest, and browse trading orders shared by trade feed. The homepage offers a total of 20+ modules for users to choose from.

- *Discover.* On the discover page, users can view their watchlist, explore popular assets in various markets, check the release schedule of major company financial reports and other important economic calendars, and track trends of major global indices.

- *Community.* The community function is where users can read and post opinions on markets and securities. At the same time, Community supports users in viewing important news, learning trading basics and advanced knowledge through our academy, and watching live financial report meetings.

- *Wealth.* Wealth is upgraded to the first-level entrance of the APP, with a wide spectrum of products, high-quality financial assets, convenient functions and interaction. Including the products we offer, such as global Mutual Funds (including Money Market Funds, Fixed Income Funds, Equity Funds, Hybrid Funds, etc.), US Treasurys, Fixed Income Notes, High-Net-Wealth Products, Auto-Sweep Vault (underlying T0 and T1 Money Market Funds), ETFs, and other products.

- *Portfolio.* The Portfolio feature supports users in viewing their total assets, cash balance, maximum purchasing power, profit charts and more. Additionally, users can analyze their profit and loss.

- *Profile*. The profile page allows users to modify their general settings, such as language, theme, and quote settings. Users can also quickly provide feedback on product issues, contact customer service and access the help center. Additionally, users can participate in various activities and claim rewards.

*Types of Accounts*

While we also partner with other clearing agents, we cooperate with Interactive Brokers to execute, settle and clear a small portion of the trades of the U.S. and Hong Kong stocks and other financial instruments, and to comply with certain federal, state and other laws, as discussed in more details in Item 4.B "Business Overview-Our Core Products and Services-Revenue Models." There are two main account types on our platform, consolidated accounts and fully disclosed accounts, depending on the cooperative model with our clearing agents.

Under the consolidated accounts, our customers only open accounts and place trades with our platform. We are responsible for the "know your client", or KYC, and anti-money laundering, or AML, procedures including customer identity verification, account approval and disapproval, record keeping, monitoring and supervision of the accounts and other compliance functions, which are no less stringent than the procedures performed for fully disclosed account customers. We work with Interactive Brokers primarily, as well as other agents and our subsidiary TradeUP Securities for order execution, clearing and settlement services. Consolidated accounts offer more functions, products and services than fully disclosed accounts, such as innovative financial instruments. With our advanced technology and third party database, the account opening process for consolidated accounts is more efficient and smooth.

Under the fully disclosed accounts, we provide a user-friendly trading interface and infrastructure for the customers and we engage Interactive Brokers to perform the execution, clearing and settlement services. We are responsible for technical support, customer service and marketing to the fully disclosed account customers. We also perform our own KYC procedures to verify the identity and financial condition of potential customers. In addition to the account on our platform, each of our customers also open a corresponding account with Interactive Brokers. Interactive Brokers is required to perform key functions in respect of KYC and AML procedures including customer identities verification, account approval and disapprovals and continuing monitoring and supervision of the accounts.

*Revenue Models*

We currently derive a significant portion of our revenues from our brokerage services through commission fees we charge our customers and interest income or financing service fees arising from or related to margin loans or securities borrowing and lending transactions services provided to customers by ourselves or third parties for trading activities.

Our revenues from commission fees are generated by customer trades and are largely determined by trading volume and commission rates. We charge commission fees based on the amount of transaction volume, or the number of shares, lots or contracts in each order. We from time to time award discounted or even zero commission fees to new or existing customers as part of our marketing scheme, thus attracting more customers and boosting customer stickiness.

Pursuant to the agreement with our clearing agent, Interactive Brokers, we receive a portion of commission fees paid by our customers every time Interactive Brokers executes and clears a trade order. For consolidated accounts, we receive commission and pay a pre-determined portion to Interactive Brokers and other clearing partners as execution and clearing fees. In the meantime, we also use TradeUP Securities, one of our subsidiaries with clearing license to execute and clear client trades and pay a pre-determined portion to corresponding clearing counterparties. For fully disclosed accounts, every time Interactive Brokers executes and clears a trade, it collects the commission, deducts the execution and clearing fees and returns the rest of the commission fees to us.

Customers can also trade on margin and short sell securities on our trading platform. The minimum deposit that customers must have to open and maintain a margin account so as to conduct margin trading and securities borrowing and lending transactions is currently set by Interactive Brokers for fully disclosed account at US$2,000. The margin loan or funding is offered by our platform for consolidated account customers and by Interactive Brokers for fully disclosed account customers. We generate interest income arising from margin financing offered by us to consolidated account customers and earn financing service fees related to the margin financing provided by Interactive Brokers to our customers.

We adopt diversified pricing terms to better serve our customers with individualized needs. The commissions we charge generally vary in accordance with the type of products or services discussed above as well as timing of account activation, eligibility for discounts and other factors. For margin loans, we charge a specific interest rate on margin loans provided by us, or a markup above the interest rate of the margin loans provided by our clearing agents.

***Institutional and Corporate Services***

In 2024, we continued to expand a number of innovative services in order to attract new customers as well as to serve existing customers whom we expect to have a greater chance of cross-selling products or services. We provide ESOP management services to soon-to-be listed and listed companies which enable them and their employees to manage their equity incentive schemes in a convenient and simplified manner. Our customer representatives work together with these companies to build a repository of equity incentive awards in our proprietary ESOP management system. We then help companies manage the vesting and exercise of their equity incentive awards as well as educating company employees about ESOP. Overall, we have worked with over 613 corporate clients by the end of the year of 2024, including 16 new clients added in the fourth quarter of 2024.

With our in-depth knowledge of the global financial market, we have also developed a one-stop incubation service for small and medium sized buy-side customers to set up offshore funds in a cost-effective way. Our service offerings include fund license application, product design, asset custody, transaction execution and funding allocation. We carefully consider factors related to a fund's potential launch to the public such as vehicle structure, registration constraints, demand and potential for success in comparison to other funds in the market. We generally offer our fund structuring and management services on a complimentary basis in exchange of our institutional customers' marketing of our products and services.

In 2024, the Company participated in 32 Hong Kong IPOs. Additionally, among the pre-filed US-listed companies in 2024, it acted as the lead underwriter for nine companies, securing the top spot in terms of quantity. Since venturing into investment banking, the Company has participated in underwriting over 190 companies for listings in Hong Kong and the US, leading the industry in both quantity and recognition.

Furthermore, we provide investor relations service to issuers, to help companies manage their ongoing relationships with shareholders, including comprehensive stock data and corporate information via our investor-facing homepage, investor education, community events, video broadcasting and others.

***Margin Financing and Securities Lending Services***

Our margin financing and securities lending services provide real-time, cross-market securities-backed financing to our clients. We have grown these services rapidly since introduction, a reflection, we believe, of both our ability to cross-sell as well as our clients' receptivity to increasingly sophisticated investing tools delivered seamlessly.

We currently offer margin financing to clients who trade securities listed on the Hong Kong Stock Exchange, Singapore Exchange and the major stock exchanges in the U.S. as well as qualified securities under the Hong Kong, Shanghai and Shenzhen Stock Connect. All financing extended to our clients is secured by acceptable securities pledged to us. Our trading system can automatically pledge cross-market account assets so that the value in a client's multiple trading accounts, which may include cash in different currencies and acceptable securities listed on these markets, will be aggregated when calculating the value of the client's collateral. In particular, this provides significant efficiencies as it eliminates the costs and procedures involved in cross-market currency translation or exchange.

Our clients are eligible for margin financing services when they hold securities that are acceptable as pledges to us in their accounts. The credit line for each eligible client is determined based on the securities across all of his or her trading accounts. The margin financing services for eligible margin financing clients are activated automatically, when the funds in their accounts are not sufficient to purchase the desired securities and there is still sufficient balance in their credit lines.

A list of securities acceptable as collateral to us and their respective margin ratios are regularly updated and shared with our clients. Our risk management team determines the margin ratio for each of the acceptable securities based on the trading frequency, fundamentals, historical price fluctuations and general market volatility. We also reference the financing terms of major financial institutions in establishing our margin ratios, and we typically find our margin ratios to be equal or higher. We believe this has differentiated our prudent risk controls. Our margin ratios are monitored in real-time and our risk management team reviews and adjusts the margin ratio for each acceptable security on a regular basis and more frequently in the case of a significant and rapid price decline.

For clients who trade securities listed on the major stock exchanges in Hong Kong, Singapore and the U.S., we offer securities lending services by lending securities we obtain from our securities lending partner. This service allows our clients to pursue short-selling strategies. To borrow securities, our clients must pledge cash or acceptable securities from in-house trading accounts. When we launched our margin financing business, we financed mostly from our own working capital and retained earnings. We have diversified the source of our financing through collaboration with our financial institution partners where we can combine collateral from our clients into portfolios and pledge the portfolios to financial institutions for commercial loans.

***Asset Management and Wealth Management Services***

Our asset management and wealth management segment sustained robust growth in 2024, aligning with our expanded global footprint. By the fourth quarter's end, assets under management (AUM) surged by 108% year-over-year, accompanied by a 81% increase in our client base.

Tiger Wealth, as the first-level entrance of our APP, provides investors with a seamless cross-market platform offering comprehensive multi-asset-class wealth management solutions. The integrated platform features core investment modules encompassing money market funds, stable-income products, mutual funds, ETFs, U.S. Treasuries, and structured notes. In 2024, we launched enhanced features for ETFs, US-Treasuries, and structured products, alongside the innovative "Yield Hunting" tool, catering to users' diversified asset allocation needs. Key Enhancements Include:

- *Cash Management*. Tiger Vault now supports T+0 subscription and redemption with same-day settlement for USD, HKD, and SGD. Its 7-day average annualized yield generally outperformed other similar products in the market.

- *Structured Product*. Upgraded trading capabilities support multi-underlying FCN pricing and real-time minute-level response. Expanded product suite with diverse structured notes, including Sharkfin, SDFCN, BEN, and DQ.

- *High-Net-Worth Services*. We continued to deepen high-net-worth wealth management service, with discretionary portfolio mandates in Singapore and Hong Kong seeing steady growth. We also expanded our offering of services for high-net-worth clients, covering personal and family wealth planning, investment immigration as well as family office setup.

On the institutional front, we launched a one-stop wealth management solution for major financial advisory firms and wealth management entities in Singapore. Addressing the industry's current pain points such as complex client onboarding requirements, cumbersome account opening processes, limited trading options, and low transaction settlement efficiency, Tiger introduced its next-generation Turnkey Asset Management Platform (TAMP). This platform offers flexible account structures, fully online account opening, multi-market and multi-asset trading, extensive analysis and trading tools, and diversified reporting. In 2024, we continued to strengthen our position as a premier platform for financial advisers and external asset managers in Singapore. Our strategic efforts in expanding institutional partnerships led to a significant increase in both the number of onboarded advisers and total assets under custody (AUC). The AUC in 2024 doubled year-over-year compared to 2023, reflecting strong client engagement. Looking ahead, we remain committed to strengthening our financial advisers and external asset managers ecosystem by expanding our network of institutional partners, introducing tailored investment solutions, and continuously enhancing platform capabilities. Our focus remains on driving sustainable growth while delivering best-in-class services to our institutional partners.

Supported by a team with rich experience in business and services, our integration of cutting-edge technology with human expertise has solidified our position as a trusted partner, reinforcing our competitive stance within the financial sector.

***Complementary Services***

We believe that a key attraction of our trading platform is the complementary services we embed in our trading platform's functions. The major complementary services are market information, community engagement, investor education and simulated trading, which work together to help our customers make informed investment decisions.

- *Market information*. We provide comprehensive market information to our customers, including real-time price quotes from various exchanges and international markets, technical indicators and macroeconomic data. Our customers can either select market information by browsing under the exchanges they are interested in researching or using the search function to find a specific security.

- *Community engagement*. We have built our "Tiger Community" consisting of live discussion boards for our customers to communicate with our community team and among themselves regarding market trends, investment opportunities and other related topics. Discussion boards are broken down into hot topics that are tailored to major market events and editors' picks representing substantive and analytical posts that add value to the investor community.

- *Investor education*. We have developed "Tiger Academy," which is a set of educational programs designed to target customers with a variety of experience levels trading in stocks and other financial instruments. Our educational programs include basic rules and processes of trading, fundamental analysis methods and technical analysis methods. We offer online lectures and live video programs produced in-house covering a variety of topics.

- *Simulated trading*. We enable users who have signed up on our trading platform to practice their stock-picking and trading skills without actually investing any money. Users can log on, set up a paper account and use a predetermined amount of simulated funds to make simulated investments.

**Our Users and Customers**

We classify those who have registered on our platform as our users and those who have opened accounts on our platform as customers. Our customers include individual customers, corporate customers and institutional customers.

We have attracted a young, affluent, and highly engaged user base with frequent trading pattern base on our trading platform. Our users and customers are generally sophisticated Chinese investors living in and outside China with relatively higher risk tolerance.

As of December 31, 2023 and 2024, the aggregate of account balance amounted to US$30.6 billion and US$41.7 billion, respectively. Our customers can open and activate trading accounts through our APP which can be downloaded for free from APP stores or through our website. After filling in personal information online, our customers are required to complete a series of questions and upload various documents to verify their identity and assess potential risks.

We have experienced significant growth in both number of customers and trading volume due to our reliable and secure trading platform, comprehensive brokerage and value-added services and superior user experience. The total customer accounts increased from 18,697 as of March 31, 2016 to 2,449,304 as of December 31, 2024, representing a compounded quarterly growth rate of 17.0%. The daily average trading volume increased from US$22.7 million during the first quarter of 2016 to US$3,094.0 million during the fourth quarter of 2024, representing a compounded quarterly growth rate of 17.2%.

**Marketing, Branding, Customer Development and Customer Support**

We attract and retain customers to use our trading platform through marketing and branding, customer development and customer support.

***Marketing and Branding***

We conduct targeted branding and marketing to attract potential customers using both online and traditional marketing channels. Our online marketing activities mainly include Internet search engine results and advertisements on websites focused on trading and finance. We also actively conduct marketing for our trading platform through APP stores. In addition, we promote our brand and trading platform through our corporate accounts on popular interactive social media platform. We benefit from cross-branding arrangements with third-party websites, and influential social media accounts, under which we cooperate to help improve each other's brand recognition. We specialize in utilizing social media to strengthen our brand equity, enhance our competitive advantages and expand our business.

We regularly initiate branding activities to promote our brand awareness among existing and potential customers around the world. We provide the technical backbone to many leading online platforms that allow their own users to analyze and trade U.S. and Hong Kong securities. As a result of the superior functionalities of our trading platform and our position as an independent platform with capability to trade U.S. and Hong Kong securities, we have been chosen by some well-known platforms as their business partner. These partnerships have enabled us to access a wider user base and scale up in a cost-efficient manner.

We focus on investing in cost-effective marketing initiatives and regularly evaluating the effectiveness of various marketing channels to optimize the allocation of our marketing resources. All customer acquisitions are tracked and analyzed based on profitability on a regular basis so that adjustments can quickly be made to our marketing efforts. We focus on continuously improving the quality of our products and services as we believe satisfied customers are more likely to recommend our trading platform to other potential customers. We incurred marketing and branding expenses of US$33.1 million, US$20.9 million and US$28.5 million in 2022, 2023 and 2024, respectively, accounting for 14.7%, 7.7% and 7.3%, respectively, of total revenues for the same periods.

***Customer Development***

Our users and potential customers can initiate contact with us through phone call and online message. To further build the relationships, our business and customer support team generally follow up with customers to respond to their questions about our trading platform, our products and our business in general.

We also use data analytics tools to identify users who are more likely to open trading accounts with us through an analysis of communication history and platform usage records, thus improving the effectiveness of our customer development and customer conversion. We also implement a member-to-member referral bonus system for existing customers who introduce new customers to our trading platform so both the introducer and the introduced receive bonus funds for commission-free trading.

***Customer Support***

We take pride in the level and quality of customer services we provide. We have a dedicated team of customer support personnel that handles customer inquiries about our trading platform via phone call and online message. Our business and customer support team consisted of 177 employees as of December 31, 2024 and operates for around 20 hours every trading day to serve our customers across the world.

We implement stringent internal policies and training programs regulating how our customer representatives communicate with and serve our customers. Our compliance team also regularly monitors communications between our customer representatives and customers to maximize the level of satisfaction from our customers.

**Our Technology and Infrastructure**

Our proprietary technology is critical to our goal of providing the most user-friendly trading experience at the best value to our customers. Over the past years, we have developed an integrated trading platform to create an efficient conduit for the global flow of capital across securities on electronic exchanges around the world, while at the same time maintaining one of the lowest fee schemes in the industry. We strongly believe in developing and continuing to enhance our proprietary technology to adapt quickly to the changing environment and regulatory change of our industry and to take advantage of opportunities presented by new exchanges or new product lines ahead of our competitors.

***Trading Platform Interface***

Our trading platform allows our customers to execute trades in an efficient, secure, reliable and user-friendly manner. Customer trades are both automatically captured and reported in real time to our trading platform. Users can search for and download our trading platform on APP stores through their mobile devices, or simply trade on our website. It generally takes less than five minutes to register and submit the application required to open an account on our platform. Once our customers open accounts on our platform, they will be directed to link a payment method for making deposits into their accounts. We perform biweekly updates to our trading platform and had updated over 150 versions.

***Back-end System***

We have a proprietary and robust back-end system, which is able to support major aspects of our business operation, and our comprehensive product offerings. Our back-end system ensures the safety, stability, smoothness and speed of transactions on our trading platform. For example, we receive, process and distribute stock quote data at a speed on average 71,200 units per second at its peak. Our back-end system is able to facilitate trades in a secure and reliable manner by connecting seamlessly to our clearing agents.

Through our back-end system, we employ proprietary technology to automate functions including account management, market updates, order routing, seamless trading across securities and risk management. Our back-end system is built with the following features.

- *High availability*. Our back-end system supports an infrastructure and application architecture with high-level SLA which guarantees that our customers can connect and trade at any time to avoid missing any fleeting opportunities in the market.
- *High reliability*. It provides high accuracy in user data and market data, supported by both real-time and off-line calculations.
- *Security*. Our system empowers systemized security measures such as strong encryption and two-factor authentication, in addition to disaster recovery and business continuity plans.
- *High performance and extensibility*. It is able to handle millions of real time data at the peak, while supporting order execution and settlement with high throughput; enhanced to improve capacity for handling an increased

load; and designed for easy modification, allowing us to increase system features, functions and capabilities efficiently.

- *Low latency*. Our system boasts dedicated relay networks and system optimization tools that reduce end-to-end latency from customer trade orders to the various exchanges.

Our proprietary back-end system boasts strong capabilities to handle customer information and trade orders. We designed our back-end system for easy modification, allowing us to increase system features, functions and capabilities efficiently as well as to handle a high volume of orders from customers at any one time. We ensure the security and integrity of all customer assets using various safeguards.

We also maintain formal business continuity policies and practices aimed at ensuring rapid recovery from any business or trade interruptions. We rank each of our services according to the risks associated with potential interruptions and have also established business recovery time objectives for our services. We regularly review and test our recovery plans and controls to ensure the effectiveness of such plans and controls in meeting our business needs.

***CRM System***

Our CRM system is the core IT system for customer development and support. Our CRM system allows us to centrally monitor and supervise customer communications, manage relationships with customers, and analyze important customer data:

- *Customer communications*. Our CRM system is integrated with our phone calls and online messaging systems, which assists customer representatives to anticipate and solve questions for our customers as they can access customer information and data from the CRM system while communicating with customers.

- *Customer relationship management*. Our CRM system also facilitates the management of account opening procedure, account status update, collection of customer complaints and other customer activities. Through the CRM system, our customer representatives can access customers' communication history, their platform usage records and trading records.

- *Customer analysis*. Through our CRM system, we can analyze our customer's communication history and trading records to enhance our operational efficiency.

***Research and Development***

We develop our proprietary trading platform, back-end technology and CRM system internally and consider our expertise in the rapid development and deployment of new trading technology as one of our core strengths. We have a team of experienced engineers. The supervisors in charge of our research and technology department all graduated from prestigious universities and worked at well-established Internet and software companies before joining us. As of December 31, 2024, we have 534 staff members engaged in research and development-related work. Substantially all of them have a bachelor's degree or above.

Our company is technology-focused, and our management team is technology-savvy. While a large number of members of the management team participate in writing detailed program specifications for new applications, and our senior executives personally track progress on programming projects, this enables us to prioritize key initiatives and achieve rapid turn-around on new projects.

Our current research and development efforts are focused on developing and improving, among other things, our trading capabilities, infrastructure technologies and customer data analysis technologies. To achieve optimal performance from our trading platform, we are regularly upgrading new versions, evaluating platform performance and performing quality assurance testing procedures.

**Risk Management**

Our business activities expose us to various risks. Identifying, measuring and managing risks are critical to minimizing damages to our business, operations and financial condition. Our compliance and legal departments work together with management to identify and manage risks. We have implemented policies and procedures for identifying, measuring and managing risks, which include establishing threshold levels for our most significant risks. Our business exposes us to four broad categories of risks: customer-related risks, trading-related risks, operational risks as well as cyber and information security risks. We are also subject to other risks that could affect our business, financial condition, operations or cash flows in future periods. For additional information, please see Item 3.D "Risk Factors-Risks Related to Our Business and Industry-We may fail to update our risk management policies and procedures as needed and such policies and procedures may otherwise be ineffective, which may expose us to unidentified or unexpected risks."

***Customer-Related Risks***

We interact with customers on a daily basis, exposing us to risks of customers conducting money laundering activities, fraud and other financial crimes. We therefore implement rigorous KYC and AML measures to compile and periodically update customer profiles and to monitor activities. Once customers make deposits, we adopt the following safeguards to protect our customers' assets:

- *Segregation of customer and internal funds*. We segregate all customer funds from our internal funds in accounts with a few reputable banks in New Zealand, Singapore, Australia, Hong Kong and the U.S. for consolidated accounts. We perform a detailed reconciliation of our customers' funds on a regular basis to ensure that such funds are properly segregated.

- *Regulatory compliance*. Our subsidiary, Wealthn LLC, is a registered investment advisor and an NFA member as well as commodity pool operator and registered commodity trading advisor in the United States. Our subsidiaries, both US Tiger Securities, Inc. and TradeUP Securities, are registered broker-dealers with the SEC and a member of FINRA and SIPC in the United States. Our Singapore subsidiary - Tiger Brokers (Singapore) Pte Ltd ("Tiger Brokers SG") is a capital markets services license holder regulated by the MAS and an exempt financial adviser under the Financial Advisers Act, 2001 of Singapore. Tiger Brokers SG is also a Clearing Member and Depository Agent of The Central Depository (Pte) Limited as well as Trading Member of Singapore Exchange Securities Trading and Singapore Exchange Derivatives Trading. Our Hong Kong subsidiary, Tiger Brokers (HK) Global Limited is a licensed corporation of SFC holding Type 1 ("Dealing in Securities"), Type 2 ("Dealing in Futures Contracts"), Type 4 ("Advising on Securities"), Type 5 ("Advising on Futures Contracts") licenses and Type 9 ("Asset Management"). Our Australian subsidiary, Fleming, holds an Australian financial services license. Our Hong Kong subsidiaries, Kastle Limited is a licensed trust and company service provider and is a Trust Company under section 78(1) of the Trustee Ordinance (Cap. 29). For consolidated accounts, we carry out customer due diligence of our customers before establishing any relationship or conducting any transaction, pursuant to the anti-money laundering rules and regulations in New Zealand. See Item 3.D "Risk Factors-Risks Related to Our Business and Industry-We face risks related to our status as an anti-money laundering reporting entity in New Zealand and if the Financial Markets Authority finds fault with our AMLCFT programs and engages in enforcement actions against us, our business and reputation may be adversely affected." We, as well as our clearing agents, conduct ongoing customer due diligence and account monitoring as well as other internal controls procedures to comply strictly with applicable rules in relevant jurisdictions. For fully disclosed accounts, our primary clearing agent Interactive Brokers takes the main responsibilities of verifying customers' identities and other regulatory compliance in the United States.

- *Transfer of customer funds in real name*. We generally require funds to be transferred in and out of customers' own bank accounts in order to reduce the risk of funds flowing into bank accounts of any unrelated third parties. This means that, with limited exceptions, a customer's trade account name must be the same as his or her bank account name to facilitate any fund transfer. Such measure not only reduces the risk of fraudulent transfer of customer funds into third-party accounts but also minimizes money laundering activities as well as potential violation of foreign exchange regulations in China.

- *Tiger Verification*. We developed a proprietary Tiger Verification APP in August 2018 that works together with our trading platform to increase the security of customer accounts. Before customers complete transactions, they can enter their passwords and codes generated from Tiger Verification to verify their transactions.

***Trading-Related Risks***

We are exposed to various trading-related risks arising from our brokerage operations, primarily market risk from financial market volatility and liquidity risk from inability to meet cash flow needs and regulatory requirements. Our management and risk management team work closely together to monitor our risk exposures throughout the day. We implement risk management measures for each of the major trading-related risks as follows:

- *Market risk*. Market risk is the risk of loss incurred from adverse market movements. The primary market risk factor to which we are exposed is the fluctuation of trading volume. As a part of our risk management system, we plan to diversify our business to increase the products and services we offer under our asset management services as well as institutional and corporate services. See Item 3.D "Risk Factors-Risks Related to Our Business and Industry-Our business may be harmed by global events beyond our control, including overall slowdowns in securities trading. Our revenues and profitability depend on trading volume and are prone to significant and unpredictable fluctuations."

- *Liquidity risk*. Liquidity risk is the risk of losses resulting from the inability to meet current and future cash flow needs. US Tiger Securities, Inc. and TradeUP Securities must comply with the SEC's net capital requirements, by which its current financial health is measured by assessing its liquidity against the risks where it has exposure. At all times US Tiger Securities, Inc. and TradeUP Securities must maintain the net capital requirements, at a level equal to, or greater than, the prescribed minimum capital. US Tiger Securities, Inc. and TradeUP Securities must maintain a minimum net capital requirement in compliance with the SEC Rule 15c3-1 as well as comply with the SEC Rule 17a-11 and the "early warning levels" for net capital requirements contained therein. Tiger Brokers SG is a capital markets services license holder under the Securities and Futures Act 2001 of Singapore (the "SFA") for (I) dealing in capital markets products that are securities, collective investment schemes, and exchange-traded derivatives contracts; (II) product financing; and (III) providing custodial services, and an exempt financial adviser under the Financial Advisers Act 2001 of Singapore (the FAA) for advising on investment products and issuing or promulgating analyses/reports on investment products that are securities, collective investment schemes, and exchange-traded derivatives contracts. Under the SFA, there is a requirement to maintain sufficient capital ("CAR") as part of its condition to operate the business in Singapore. CAR is calculated using a risk-based capital approach. For Tiger Brokers SG, the minimum base capital requirement is SGD 5 million and, in addition, the firm is required to analyze its operational risk and determine further capital requirement according to the risk the business faces. Its financial resources (which definition includes its base capital) cannot fall below its total risk requirement (i.e. the amount required to address risks arising from its activities), and in the case that its financial resources fall below 120% of its total risk requirement, it is required to immediately notify the MAS of this fact.

- *Credit risk*. The main credit risk is the risk exposure related to the margin financing we extend to our clients. Margin financing is generally secured by securities in the customers' accounts, but associated credit risk can be heightened during periods of market volatility, low market liquidity and over-concentration of certain securities. During such times, customers who utilize margin financing and who have collateralized their obligations with securities may find their securities portfolio rapidly depreciating in value and may not be sufficient to cover their credit obligations even after fully liquidating their portfolio. We are also exposed to credit risk when our customers execute transactions, such as securities borrowing and lending that can also expose them to risk beyond their invested capital. We have a comprehensive policy implemented to assess and monitor the suitability of investors to engage in the trading activities that we offer. Our credit exposure is to a great extent mitigated by our policy of credit assessment and automatic evaluation of each account throughout the trading day and closing out positions automatically or disabling further trading for accounts that are found to be under-margined.

***Operational Risks***

Operational risk is the risk of loss resulting from inadequate or failed internal processes or controls, human errors or misconducts, system and technology problems or from external events. It also involves non-compliance with regulatory and legal requirements. We manage operational risks by establishing policies and procedures to accomplish timely and efficient processing and obtaining periodic reports from management regarding key processes.

Significant operational risks arise particularly in relation to trading, IT and finance functions. The potential risks relating to trading include routing errors, booking errors, product administration errors and exposure limit breaches.

We have implemented a comprehensive policy in compliance with the regulatory and legal requirements to assess and monitor the suitability of trading activities on our platform. To mitigate the operational risk, we monitor, detect and predict abnormal trading activities that can potentially impair the continuity of the operations of the market, our counterparts and our own firm. We have developed a business continuity plan to manage and minimize the impact to the business in the event of operational disruptions. Backups and procedures are in place to facilitate the recovery of these systems at our recovery site overseas. See Item 4.B "Business Overview-Our Technology and Infrastructure-Back-end System" for more information.

We have additionally formulated a series of internal procedures focused on minimizing operational risks. Our compliance department reviews and approves materials published for investor education, market information and community engagement to prevent the disclosure of any inaccurate information. We also monitor the interactions between our customer representatives and customers for any non-compliance with internal policies and regulatory rules. All customer-facing employees receive compliance training upon joining us and we also provide *ad hoc* compliance trainings on various compliance matters to all employees. An annual training schedule stipulates our training requirements. The compliance team monitor customer interactions to ensure that company policy is observed. We take pride in the level and quality of customer services we provide. We have a dedicated team of customer service personnel that handles customer inquiries about our trading platform via phone call and online message.

***Cyber and Information Security Risks***

We are exposed to malicious technological attacks intended to impact the confidentiality, availability or integrity of our systems and data, including sensitive customer data. Our technology team relies on a layered system of preventive and detective technologies, practices and policies to detect, mitigate and neutralize cyber security threats. Secure access to our customers' information and other confidential information is paramount to our business success. We therefore maintain strict internal practices, procedures and controls enabling us to better protect our customers' personal information, such as providing different levels of access rights. We use hardware security machines to encrypt sensitive customer information in our CRM system. Access to our information system is granted to employees on an as-needed basis. We deploy advanced firewall technologies to restrict inappropriate access to our hosting facilities. We frequently monitor our APP, websites and critical servers for any cyberattacks or data breaches. See "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure –If we fail to protect customer data and privacy, our reputation, financial condition and results of operations will be materially and adversely affected" and Item 3.D "Risk Factors – Risks Related to Our Business and Industry – We may fail to protect our platform from cyber-attacks, which may adversely affect our reputation, customer base and business."

**Intellectual Property**

We rely on a combination of trademark, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our intellectual properties and our brand. Our intellectual property rights are important to us in distinguishing our brand and services from those of our competitors and contribute to our ability to compete in our target markets. As our brand name gains more recognition among the general public, we will work to increase, maintain and enforce our trademark portfolio as well as software and domain name registrations, the protection of which is important to our reputation and the continued growth of our business. Below is a comprehensive summary of our intellectual property rights.

As of March 31, 2025, we had obtained 14 design patents and 12 invention patents, and had submitted 25 additional patent applications in China. As of March 31, 2025, we had registered 273 trademarks and had about 28 additional trademark applications in China. We had also obtained trademarks in jurisdictions such as Hong Kong, Singapore, Malaysia, EU, Indonesia, India, Philippines, Thailand, Australia and New Zealand, and submitted trademark applications in various jurisdictions. As of March 31, 2025, we had registered about 194 software copyrights and 22 artwork copyrights in China and other main jurisdictions.

**Competition**

The online brokerage market is highly competitive and rapidly evolving. Our primary competitors include online brokers and other firms providing online brokerage services. Nevertheless, we believe that our diverse product offerings, advanced technology infrastructure, efficient trade execution, top quality customer services and competitive pricing together make us one of the top performers in this market.

Although some of our competitors may have greater financial resources or a larger customer base than we do, we believe that our proprietary trading platform, comprehensive customer services, innovative products and services, unparalleled user experience, robust infrastructure and advanced technology, and strong brand recognition are powerful competitive strengths in the fast-evolving online brokerage market.

**Insurance**

We maintain insurance such as professional liability insurance and directors and officers liability insurance for certain subsidiaries. For instance, our New Zealand subsidiaries, Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited, have in place professional liability insurance and directors' and officers' liability insurance, each of which has a limit of liability of NZ$1 million per claim and in the aggregate covering worldwide (excluding the U.S. and Canada) jurisdictions and territories. Our Singapore subsidiary Tiger Brokers (Singapore) Pte Ltd maintains professional indemnity insurance with a limit of liability of S$25 million, as well as a business insurance package covering office property, electronic equipment, and work injury compensation with a limit of liability of S$1 million.

Aside from the insurance described above, we only maintain insurance coverage required by laws and regulations and do not carry additional policies such as data security insurance, business interruption insurance, or liability insurance covering risks like customer complaints, litigation, or other operational liabilities. While our Directors believe that our insurance coverage is in line with industry practice and our current policies are adequate, please refer to Item 3.D "Risk Factors-Risks Related to Our Business and Industry-Our insurance coverage may be inadequate to cover risks related to our business and operation."

**Legal Proceedings**

As the date of this report, except for the litigation disclosed in Item 3.D "Risk Factors," we are not a party to, and we are not aware of any threat of, any legal proceeding that, in the opinion of our management, is likely to have a significant effect on our financial position or profitability, nor have we experienced any incident of non-compliance which, in the opinion of our directors, is likely to have a significant effect on our financial position or profitability.

**Compliance**

We believe that our comprehensive compliance framework covering marketing compliance, regulatory compliance and AML procedures protects the assets and interests of our customers. Our compliance department carries out routine day-to-day compliance tasks and transaction reporting, business monitoring and customer due diligence to ensure compliance with all applicable laws and regulations. In addition, they monitor complaints and compile responses to these complaints.

The compliance department also oversees general compliance with all applicable KYC rules and AML procedures, carries out the compliance policies and prepares reports to any regulatory agencies if needed. Lastly, all compliance employees are required to undergo continuous intensive on-the-job training to become familiar with the latest regulatory environment developments.

**Seasonality**

We have not experienced seasonality in our business. However, as our brokerage business only began operations in 2015, volatility that may be inherent in the online brokerage industry could be masked by our rapid growth.

**Regulation**

This section summarizes the principal New Zealand, U.S., Singapore, Australia and Hong Kong laws and regulations relevant to our business and operations. Information regarding certain PRC regulations set forth under "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business" is incorporated by reference herein.

**New Zealand Regulations Relating to Securities and Futures Brokerage Business**

***Operational Rules of the Exchanges on Which We Operate***

***Client money or property services***

Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited provide "client money or property services" in New Zealand, which are regulated by the Financial Markets Conduct Act 2013 (as amended in March 2021 by the Financial Services Legislation Amendment Act 2019) ("**FMCA**").

A client money or property service is:

a) the receipt of client money or client property by a person and the holding, payment, or transfer of that client money or client property; and

b) includes a custodial service (i.e., the holding of client money or client property by a person **(A)** in trust for, or on behalf of, a client **(C)**, or another person nominated by C, under an agreement between A and C or between A and another person with whom C has an agreement (whether or not there are also other parties to the agreement)).

Subpart 5B of Part 6 of the FMCA regulates client money or property services by imposing:

- disclosure obligations for services for retail clients;
- conduct obligations; and
- obligations for handling client money and client property.

Certain of these obligations are summarized below.

*Disclosure obligations for services offered to retail clients*

A provider of a regulated client money or property service must disclose prescribed information to a retail client:

- before receiving client money or client property from or on behalf of the client; or
- if not practicable before, as soon as practicable after receiving client money or client property from or on behalf of the client.

A person must not provide information under the above requirement if:

- there is:
- a statement in the information that is false or misleading or is likely to mislead; or

- an omission from the information that is required by the regulations; and
- the statement or omission is materially adverse from the point of view of a client.

Information about a future matter (including the doing, or not doing, of an act) is misleading if the person making the statement does not have reasonable grounds for making it.

*Conduct obligations*

A provider must, when providing a regulated client money or property service, exercise the care, diligence, and skill that a prudent person engaged in the business of providing the service would exercise in the same circumstances.

*Obligations for handling client money and client property*

A provider who receives client money or client property, as part of a client money or property service, must:

- hold the client money or client property, or ensure the client money or client property is held, on trust for the client; and
- ensure that the client money is paid promptly into a bank in New Zealand (or into any other prescribed entity) to a designated trust account.
- if acting as a custodian, appoint a qualified auditor to undertake a statutory client funds assurance report each year, a copy of which is provided to the FMA.

A provider who receives or holds client money on trust for a client must keep, or ensure that there are kept, trust account records that disclose clearly the position of the client money in the trust account.

A provider must not use or apply client money or client property received or held on trust for a client by a provider in any way except as expressly directed by the client or by transferring it to the provider's designated trust account.

The client money or client property that is received or held by a provider on trust for a client:

- is not available for the payment of the debts owing to any other creditor of the provider; and
- is not liable to be attached or taken in execution under the order or process of any court at the instance of another creditor of the provider.

***Registration of Financial Service Providers***

Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited are financial service providers registered on the Financial Services Providers Register established under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

Financial service providers are required to be members of an approved dispute resolution scheme if they provide financial services to retail customers. Both companies are registered with Financial Services Complaints Limited ("FSCL"). A customer is entitled to raise a complaint directly with FSCL. If this occurs, FSCL will work with the customer and the provider with the aim to reach agreement on any complaints regarding the provision of a financial service. If an agreement cannot be achieved, FSCL will make a decision on the complaint which is binding on the provider. The services provided by FSCL are free of charge for customers.

Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited are not licensed by a New Zealand regulator to provide client money or property services. Their registration on the New Zealand register of financial service providers or membership of the Financial Services Complaints Limited Dispute Resolution Scheme does not mean that they are subject to active regulation or oversight by a New Zealand regulator.

***Rules Relating to Anti-Money Laundering and Countering Financing of Terrorism***

Tiger Brokers (NZ) Limited is regulated by the FMA for AML/CFT purposes and recorded on the FMA website as an AML/CFT reporting entity. The AML/CFT Act places obligations upon New Zealand's reporting entities, including financial institutions to detect and deter money laundering and terrorist financing. Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited are regulated by the FMA for AML/CFT purposes and recorded on the FMA website as AML/CFT reporting entities. The AML/CFT Act places obligations upon New Zealand's reporting entities, including financial institutions to detect and deter money laundering and terrorist financing.

A reporting entity must establish, implement, and maintain an AML/CFT compliance programme that includes internal procedures, policies, and controls to detect money laundering and the financing of terrorism and to manage and mitigate the risk of money laundering and financing of terrorism. Before conducting customer due diligence (i.e., the KYC procedures) or establishing an AML/CFT programme, a reporting entity must first undertake a written risk assessment regarding the risks of money laundering and financing of terrorism that it may reasonably expect to face in the course of its business.

A civil liability act occurs when a reporting entity fails to comply with any of the AML/CFT Act requirements. The FMA has a variety of remedies for civil liability acts including formal warnings, enforceable undertakings, and, on application to the court, injunctions and pecuniary penalties. A reporting entity that engages in conduct constituting a civil liability act commits a criminal offence if the reporting entity engages in that conduct knowingly or recklessly. Further criminal offences are contained in the AML/CFT Act. A reporting entity or person who commits an offence under the AML/CFT Act is liable on conviction to, in the case of an individual, either or both of a term of imprisonment of not more than two years and a fine of up to NZ$0.3 million, and in the case of a body corporate, a fine of up to NZ$5 million.

The AML/CFT Act also requires reporting entities to conduct the customer due diligence on upon a customer, any beneficial owner of a customer and any person acting on behalf of a customer.

A reporting entity must obtain the prescribed identity information in relation to the relevant persons and take reasonable steps to satisfy itself that the information obtained is correct and, according to the level of risk involved, take reasonable steps to verify any beneficial owner's identity so that the reporting entity is satisfied that it knows who the beneficial owner is. A reporting entity must also obtain information on the nature and purpose of the proposed business relationship between the customer and the reporting entity and sufficient information to determine whether the customer should be subject to enhanced customer due diligence. Enhanced customer due diligence is required in a number of prescribed circumstances and involves obtaining and verifying additional information, including in relation to source of funds or wealth.

A reporting entity must, as soon as practicable after establishing a business relationship or conducting an occasional transaction or activity, take reasonable steps to determine whether the customer or any beneficial owner is a politically exposed person. If a reporting entity determines that a customer or beneficial owner with whom it has established a business relationship is a politically exposed person, then the reporting entity must have senior management approval for continuing the business relationship and must obtain information about the source of wealth or funds of the customer or beneficial owner and take reasonable steps to verify the source of that wealth or those funds.

When a reporting entity suspects that an activity undertaken by a customer may be relevant to the investigation or prosecution of an offence, or the enforcement of certain legislation, as soon as practicable but no later than 3 working days after forming its suspicion, that activity must be reported to the Commissioner of Police of New Zealand.

**New Zealand Regulations on Internet Privacy**

The Privacy Act 2020 controls how "agencies" collect, use, disclose, store and give access to "personal information". An "agency" is widely defined and includes any individual, public or private sector agency, or court or tribunal that is carrying on business or present in New Zealand, with specified exceptions. 'Personal information' means information about an identifiable individual. The Privacy Act covers government agencies, local councils, businesses,

and individuals. All personal information is covered, including information about employees. All organizations are required to have a privacy officer to deal with privacy issues.

The Privacy Act now clearly states that it has extraterritorial effect. This means that an overseas business or organization that is 'carrying on business' in New Zealand will be subject to the Act's privacy obligations, even if it does not have a physical presence here.

The Privacy Act provides for 13 overriding privacy principles. The 13 principles stipulate how information can be collected, used, disclosed and stored, and people's rights to gain access to that information and ask for it to be corrected. The privacy principles cover: collection of personal information (principles 1-4); storage and security of personal information (principle 5); requests for access to and correction of personal information (principles 6 and 7, plus parts 4 and 5 of the Act); accuracy of personal information (principle 8); retention of personal information (principle 9); use and disclosure of personal information (principles 10 and 11); disclosure of personal information outside New Zealand (principle 12) and, using unique identifiers (principle 13).

When an individual feels there has been a breach of the principles he or she can lodge a complaint with the Privacy Commissioner. The Privacy Commissioner investigates the complaint and undertakes a process of conciliation rather than punishment. If the complaint cannot be settled, it may be referred to the Human Rights Review Tribunal, which considers the situation anew. If the Tribunal finds there has been a breach, it may award a range of remedies including damages and restraining orders.

The Privacy Act introduces a mandatory privacy breach notification regime for "notifiable privacy breaches". Notifiable privacy breaches are those that a business or organization believes have caused (or are likely to cause) serious harm. Notifiable privacy breaches require a business or organization to notify the Office of the Privacy Commissioner and affected individuals as soon as possible (unless an exception applies for notifying individuals, for example where it reveals a trade secret or would endanger personal safety). Under the Act, it is an offence to fail to inform the Privacy Commissioner when there has been a notifiable privacy breach. As noted above, the Act clarifies that liability for breach notifications sits with the business or organization, and not the individual employees.

The Privacy Act introduces a new privacy principle, principle 12, which regulates how agencies can transfer personal information overseas to foreign entities and individuals. Agencies can only transfer personal information where (1) an individual authorizes disclosure after being expressly told that their personal information might not be protected in the same way as under the Privacy Act, or (2) the discloser reasonably believes that (i) comparable privacy laws exist, (ii) other protections affording comparable privacy protections are in place (i.e. a contract), (iii) the receiver is in a prescribed country or subject to a prescribed scheme, or (iv) the receiver carries on business in New Zealand and is subject to the Privacy Act.

The Privacy Act introduces new criminal offences. It is now an offence to mislead an agency to access someone else's personal information, or falsely pretend to be them or acting under their authority. It will also be an offence for an organization or business to destroy personal information, knowing that a request has been made to access it. The maximum penalty for an offence is NZ$10,000.

**U.S. Regulations Relating to Securities and Futures Brokerage Business**

Our business is also subject to regulation, primarily by U.S. federal and state regulatory agencies and certain Self-Regulatory Organization ("SROs"), such as central banks and securities exchanges, that have been charged with the protection of the financial markets and the interests of those participating in those markets. We, along with other larger institutions, have been subject to a broad range of rules and regulations and a climate of heightened regulatory scrutiny, particularly with respect to compliance with laws and regulations, including financial and operational controls and business processes. This scrutiny and related rule-making has resulted in part from the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, in 2010, which significantly changed the bank regulatory structure of our company and its thrift subsidiaries. The substance and full impact of the laws and regulations to which we are subject may be affected by changes in the U.S. political landscape, and we expect to continue to incur costs to implement new or phase-in requirements and monitor for continued compliance.

***Financial Services Regulation***

Our regulators are increasingly focused on ensuring that our customer privacy, data protection, information security and cyber security-related policies and practices are adequate to inform consumers of our data collection, use, sharing or security practices, to provide them with choices, if required, about how we use and share their information, and to safeguard their personal information. We maintain systems designed to comply with these privacy, data protection, information security and cyber security requirements, including procedures designed to securely process, transmit and store confidential information and protect against unauthorized access to such information.

Our brokerage and banking entities are required by the Gramm-Leach-Bliley Act of 1999 to develop, implement, and maintain an information security program with administrative, technical, and physical safeguards designed to protect customer information and to disclose their privacy policies and practices related to sharing customer information with affiliates and non-affiliates. These rules give customers the ability to "opt out" of having non-public information disclosed to third parties or receiving marketing solicitations from affiliates and non-affiliates based on non-public information received from our brokerage and banking entities. *The Bank Secrecy Act*, as amended by the *U.S.A. PATRIOT ACT of 2001*, or the BSA/USA PATRIOT Act, applies to our brokerage and banking entities and requires financial institutions to develop anti-money laundering programs to assist in the prevention and detection of money laundering and combating terrorism. In order to comply with the BSA/USA PATRIOT Act, we have an AML department that is responsible for developing and implementing our enterprise-wide programs for compliance with the various anti-money laundering and counterterrorist financing laws and us regulations. Our brokerage and banking entities are also subject to U.S. sanctions laws administered by the Office of Foreign Assets Control and we have policies and procedures in place to comply with these laws.

***Brokerage Regulation and Capital Requirements***

Our subsidiary, US Tiger Securities, Inc. and TradeUP Securities, both U.S. broker-dealers, are registered with the SEC and is subject to regulation by the SEC and by SROs, such as FINRA and the securities exchanges of which it is a member, as well as various state regulators. The SEC and other governmental agencies and self-regulatory organizations, as well as state securities commissions in the United States, have the power to conduct administrative proceedings that can result in censure, penalties and fines, disgorgement of profits, restitution to customers, cease-and-desist orders or suspension, termination or limitation of the activities of the regulated entity or its employees. TradeUP Securities is a registered member of The Depository Trust & Clearing Corporation ("DTC") and National Securities Clearing Corporation.

Brokerage regulation covers various aspects of brokerage activities, including segregated cash requirements and net capital. TradeUP Securities is a fully disclosed broker-dealer within the meaning of SEC Rule 15c3-3 under the Exchange Act, which requires segregation of funds in a special reserve account for the benefit of customers. US Tiger Securities, Inc. and TradeUP Securities are subject to the Uniform Net Capital Rule, Rule 15c3-1 under the Exchange Act, which requires the maintenance of minimum net capital. Brokerage regulation also covers other brokerage activities, including required books and records, customer suitability, safekeeping of funds and securities, trading, prohibited transactions, public offerings, margin lending, customer qualifications for margin and options transactions, registration of personnel and transactions with affiliates. These net capital requirements are designed to measure the financial soundness and liquidity of broker-dealers. The net capital rule imposes certain requirements that may have the effect of preventing a broker-dealer from distributing or withdrawing capital and may require that prior notice to the regulators be provided prior to making capital withdrawals. Compliance with net capital requirements could limit operations that require the intensive use of capital, such as trading activities and underwriting, and may limit the ability of our broker-dealer subsidiaries to pay dividends to us.

***Investment Adviser Regulation***

Our wholly-owned subsidiary, Wealthn LLC, is registered as an investment adviser under *the Investment Advisers Act of 1940*, as amended with the SEC, or the Investment Advisers Act. As a registered investment adviser, Wealthn LLC is subject to the fiduciary and other obligations imposed under the Investment Advisers Act and the rules and regulations promulgated thereunder, as well as applicable state securities laws. The Investment Advisers Act imposes numerous obligations on registered investment advisers such as Wealthn LLC, including recordkeeping, operational and marketing requirements, disclosure obligations and prohibitions on fraudulent activities. State-level regulations

through the Attorneys General, state securities regulators and other state level agencies also apply to certain activities of Wealthn LLC.

The *Investment Company Act of 1940*, as amended, or the Investment Company Act, also imposes stringent governance, compliance, operational, disclosure and related obligations on registered investment companies and their investment advisers, such as Wealthn LLC, and distributor(s) and its affiliated companies. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act and the Investment Company Act, ranging from fines and censure to termination of an investment adviser's registration. Non-compliance with the Advisers Act, the Investment Company Act or other federal and state securities laws and regulations could result in investigations, sanctions, disgorgement, fines and reputational damage, as well as temporary or permanent prohibition of certain activities, related client terminations or other sanctions.

**Singapore Regulations Relating to Securities and Futures Brokerage Business**

Tiger Brokers SG is a capital markets services license holder under SFA for (I) dealing in capital markets products that are securities, collective investment schemes, and exchange-traded derivatives contracts; (II) product financing; and (III) providing custodial services, and an exempt financial adviser under the Financial Advisers Act 2001 of Singapore (the FAA) for advising on investment products and issuing or promulgating analyses/reports on investment products that are securities, collective investment schemes, and exchange-traded derivatives contracts. Under the SFA, there is a requirement to maintain sufficient capital ("CAR") as part of its condition to operate the business in Singapore. CAR is calculated using a risk-based capital approach. For Tiger Brokers SG, the minimum base capital requirement is SGD 5 million and, in addition, the firm is required to analyze its operational risk and determine further capital requirement according to the risk the business faces. Its financial resources (which definition includes its base capital) cannot fall below its total risk requirement (i.e. the amount required to address risks arising from its activities), and in the case that its financial resources fall below 120% of its total risk requirement, it is required to immediately notify the MAS of this fact. Tiger Brokers SG minimally maintain at least 25% above the actual CAR requirement as a precaution against any sudden turn in the business environment.

**Australian Regulations Relating to Financial Services Business**

***AFSL obligations***

Under section 911A (1) of the Corporations Act 2001 in Australia, or the Corporations Act, a person who carries on a financial services business in Australia must generally hold an Australian financial services license, or AFSL, unless a relevant exception applies.

***Relevant AFSL holders***

Tiger Brokers (AU) Pty Limited, ABN 12 007 268 386, is licensed and regulated by Australian Securities and Investment Commission (ASIC), Australian Financial Services License no. 300767 (AFSL). authorizing it to provide various financial services, including financial product advice, dealing, and underwriting, in respect of a variety of financial products. TBAU's AFSL (No. 300767) authorizes the licensee to carry on a financial services business to:

(a) provide financial product advice for the following classes of financial products:
- (i) deposit and payment products limited to:
  - (A) basic deposit products;
  - (B) deposit products other than basic deposit products;
- (ii) derivatives;
- (iii) foreign exchange contracts;
- (iv) interests in managed investment schemes, including:
  - (A) investor directed portfolio services; and
- (v) securities;

(b) deal in a financial product by:

(i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
(A) derivatives;
(B) foreign exchange contracts; and
(C) interests in managed investment schemes, limited to:
(1) own managed investment scheme only; and
(ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
(A) deposit and payment products limited to:
(1) basic deposit products;
(2) deposit products other than basic deposit products;
(B) derivatives;
(C) foreign exchange contracts;
(D) interests in managed investment schemes, including:
(1) investor directed portfolio services; and
(E) securities; and

(c) provide the following custodial or depository services:
(i) operate custodial or depository services other than investor directed portfolio services;

to retail and wholesale clients.

TBAU provides dealing and custodial services for a variety of financial products including derivatives, foreign exchange contracts, interests in MIS and securities. TBAU is not a market participant of a licensed financial market in Australia so that execution and settlement services are provided by a third party. When a client trades exchange-traded products (e.g., listed company shares), TBAU will act as an intermediary and instruct market participants to enter trades on the exchange according to client orders.

TBAU is authorized under its AFSL to provide general financial product advice to retail and wholesale clients in those authorized financial products.

Fleming, or Fleming Funds Management, holds an AFSL authorizing it to provide various financial services, including financial product advice, dealing and underwriting, in respect of a variety of financial products, including derivatives, government bonds, interests in managed investment schemes (such as collective investment vehicles) and securities, to wholesale clients only (such as institutional investors and high net worth clients).

***Substantive obligations***

As AFSL holders, TBAU and Fleming are subject to the following obligations (among others):

- to comply with various financial, capital and audit requirements;
- to ensure that a nominated “responsible manager” is allocated responsibility for each financial service provided;
- to ensure that its representatives who provide financial services are adequately trained and competent to do so;
- to comply with the “client money” rules under Chapter 7.8 of the Corporations Act;
- to comply with the financial record and order record keeping requirements under Chapter 7.8 of the Corporations Act;
- to ensure it has in place adequate compliance arrangements in respect of the financial services it provides;

- to have adequate financial, technological and human resources to provide the financial services covered by its license;
- to comply with Australian financial services laws, and to take reasonable steps to ensure that its representatives comply with Australian financial services laws;
- to do all things necessary to ensure that the Australian regulated activities are provided efficiently, honestly and fairly;
- to have in place adequate arrangements for the management of conflicts of interest;
- to have adequate risk management systems; and
- to report significant breaches of Australian financial services laws, and its AFSL conditions, to the Australian Securities and investments Commission.

***Recent Developments in the Australian Regulatory Framework***

In 2024, Australian Financial Services (AFS) providers faced several significant regulatory changes aim at enhancing transparency, consumer protection, and financial stability.

(a) Privacy

In 2024, Australia implemented significant reforms to its privacy laws, aiming to enhance personal data protection and align with modern digital practices. These reforms, which commenced on December 10, 2024, represent a comprehensive overhaul of Australia's privacy framework. Key changes included:

1.1. *Expansion of the Privacy Act*: The Privacy and Other Legislation Amendment Bill 2024 (Cth) broadened the Privacy Act's scope, introducing stricter consent and notice requirements for handling personal data.

1.2. *Introduction of a Statutory Tort for Serious Privacy Invasions*: For the first time, individuals gained the right to sue for serious invasions of privacy, with potential penalties up to $478,550.

1.3. *Enhanced Enforcement Powers*: Regulatory bodies, notably the Office of the Australian Information Commissioner (OAIC), received expanded powers to oversee compliance and enforce penalties for privacy breaches.

1.4. *Regulation of Automated Decision-Making*: New requirements mandated transparency in automated decisions affecting individuals, necessitating clear communication when relying on such processes.

1.5. *Overseas Data Disclosures*: The legislation introduced a 'white list' of countries deemed to have adequate data protection laws, facilitating international data transfers while ensuring privacy standards.

1.6. *Strengthened Data Security Measures*: Organizations are now required to implement robust technical and organizational measures to safeguard personal data, with clearer guidelines on data breach notifications.

1.7. *Criminalization of Doxxing*: Publishing personal information online with harmful intent, known as doxxing, became a criminal offense punishable by up to six years in prison, increasing to seven years if motivated by discrimination.

(b) ASIC's Focus on Greenwashing

The ASIC released Report 791, detailing its interventions in greenwashing misconduct over a 15-month period ending June 30, 2024. The report highlighted issues such as insufficient disclosure of ESG investment methodologies and sustainability-related claims lacking reasonable grounds. ASIC emphasized the

importance of accurate and transparent sustainability disclosures to protect investors and maintain market integrity.

(c) Reforms to Merger Regulations

In April 2024, the Australian Government announced reforms to merger regulations to promote competition and protect consumers. The changes aimed to streamline the approval process and provide greater certainty for businesses, reflecting a commitment to maintaining a competitive and consumer-friendly market environment.

(d) Strengthening Financial Market Infrastructure

Proposed reforms to the Corporations Act 2001 included granting the Reserve Bank of Australia (RBA) enhanced crisis management powers over Clearing and Settlement (CS) facilities. These powers were designed to allow the RBA to respond effectively to acute crises, preventing disorderly wind-downs of CS facilities and safeguarding financial system stability.

(e) New Cybersecurity Obligations

In response to significant data breaches, Australia introduced new cybersecurity measures targeting critical sectors, including financial services. Companies were required to comply with enhanced obligations to protect consumers' private data, with non-compliance potentially resulting in substantial fines. The initiative underscored the government's commitment to bolstering digital resilience and protecting consumers in the digital economy.

**Hong Kong Regulations Relating to Securities and Futures Brokerage Providers**

Tiger Brokers HK is a licensed corporation of the Securities and Futures Commission of Hong Kong ("SFC") holding Type 1 ("Dealing in Securities"), Type 2 ("Dealing in Futures Contracts"), Type 4 ("Advising on Securities"), Type 5 ("Advising on Futures Contracts") and Type 9 ("Asset Management") licenses.

The Securities and Futures Ordinance ("SFO"), including its subsidiary legislation, is the principal legislation regulating the securities and futures industry in Hong Kong. In particular, Part V of the SFO deals with licensing and registration matters. The SFO is administered by SFC which is an independent statutory body in Hong Kong set up to regulate the securities and futures markets and the non-bank leveraged foreign exchange market in Hong Kong.

In addition, the Companies (Winding Up and Miscellaneous Provisions) Ordinance including its subsidiary legislation provides that SFC is responsible for authorizing the registration of prospectuses for offerings of shares and debentures in Hong Kong and/or granting exemptions from strict compliance with the provisions in the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance. The SFO provides that SFC is also responsible for authorizing certain securities (including the relevant offering documents) that are not shares or debentures.

The Hong Kong securities and futures industry (with respect to listed instruments) is also governed by the rules and regulations introduced and administered by the Hong Kong Stock Exchange and the Hong Kong Futures Exchange (jointly as "HKEX").

**Hong Kong Regulations Relating to Trust Services Providers**

Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), or the AMLCTFO, trust or company service providers, or TCSPs, in Hong Kong need to apply for a license which is conditional on certain personnel (including the ultimate owners) of such companies having satisfied a "fit and proper" test. The AMLCTFO also requires TCSPs to comply with the applicable statutory customer due diligence and record-keeping requirements. TCSPs are regulated by the Registrar of Companies, through the Hong Kong Companies Registry, and are subject to its oversight.

A TCSP is defined in the AMLCTFO to be a corporation which carries on a business providing trust or company services. Trust service as defined encompasses the provision in Hong Kong, by way of business, of the service of acting, or arranging for another person to act (i) as a trustee of an express trust or a similar legal arrangement; or (ii) as a nominee shareholder for a person other than a corporation whose securities are listed on a recognized stock market. On the other hand, company service encompasses the provision in Hong Kong, by way of business, of the service of (i) forming corporations or other legal persons; (ii) acting or arranging for another person to act as a director or a secretary of a corporation, as a partner of a partnership, or in a similar position in relation to other legal persons; and/or (iii) providing a registered office, business address, correspondence or administrative address for a corporation, a partnership or any other legal person or legal arrangement.

The TCSP license is usually valid for a period of three years and renewable upon re-assessment of fit and proper requirements. Our indirect wholly-owned subsidiary, Kastle Limited, was granted a TCSP license for a period of three years starting from January 29, 2019 and renewed subsequently, the new TCSP license is valid from 29 January 2025 to 28 January 2028. An application for license renewal must be made at least 60 days before it is due to expire.

***Ongoing Requirements***

All licensed TCSPs are required to, on an ongoing basis, comply with its licensing conditions (if any) as well as the relevant provisions in the AMLCTFO and the guidelines issued by the Companies Registry from time to time, including those relating to customer due diligence and record keeping requirements. To this end, the senior management of licensed TCSPs are also required to appoint: (i) a director or senior manager as a compliance office, or CO, who has overall responsibility for the establishment and maintenance of the licensee's anti-money laundering and counter-terrorist financing systems; and (ii) a senior member of the licensee's staff as the money laundering reporting officer, or MLRO, who is the central reference point for reporting suspicious transactions.

In order that the CO and MLRO may discharge their responsibilities, the licensed TCSP's senior management should ensure as far as practicable that the CO and MLRO are independent of all operational and business functions, normally based in Hong Kong, capable of accessing all available information, fully conversant in the relevant statutory and regulatory requirements and risks, provided with regular access to senior management, and of a sufficient level of seniority and authority. Depending on the scale, operation, nature of business and risk profile of the licensed TCSP, the same person may be appointed as its CO and MLRO. Given the relatively small size of Kastle Limited, Ms. Tsang Suk Han has been appointed as both its CO and MLRO since June 24, 2024.

**Regulations Relating to Tax**

***New Zealand Regulations on Tax***

New Zealand imposes income tax on the worldwide income of New Zealand tax residents, and also on all income that is treated as having a New Zealand source for New Zealand income tax purposes derived by non-New-Zealand tax residents. New Zealand does not currently have an express capital gains tax (although such a tax has been considered by various policy makers). The concept of income for New Zealand income tax purposes includes amounts that may be viewed as capital in some other jurisdictions, and in some cases includes deemed or attributable income that may not correlate in terms of timing or quantum with monetary receipts or actual economic gains.

A company will be treated as being resident in New Zealand for income tax purposes if it is incorporated in New Zealand, has its head office in New Zealand, has its center of management in New Zealand, or its directors, in their capacity as directors, exercise control of the company in New Zealand, even if the directors' decision-making also occurs outside New Zealand.

The rate of income tax for New Zealand tax resident companies, and companies that are not New Zealand tax resident companies but which derive New Zealand sourced income, is currently 28%.

Income tax paid by a New Zealand tax resident company can give rise to imputation credits that, subject to sufficient continuity of ownership being maintained in respect of the company, can be attached to dividends that the company

pays. Such imputation credits attached to dividends may reduce the amount of New Zealand withholding tax and New Zealand income tax that is payable by the recipient of the dividend.

Dividends paid by a New Zealand tax resident company may be subject to withholding tax. The rate of withholding tax for dividends paid to a shareholder which is not a New Zealand tax resident is up to 30%. It is possible in certain circumstances for a New Zealand tax resident company to pay a supplementary dividend that effectively eliminates the monetary effect of non-resident withholding tax on dividends paid to foreign shareholders who hold a less than 10% interest, where and to the extent, the dividend is fully imputed. No withholding tax or income tax is usually payable when dividends are paid between companies that are both New Zealand tax resident and members of the same wholly owned group of companies, or where a cash dividend with full imputation credits attached is paid to a non-resident who holds at least 10% direct ownership interest of the dividend paying company.

The rate of tax imposed on taxpayers who are tax resident in a jurisdiction that New Zealand has entered into a double tax agreement with may have the rate of New Zealand tax, whether income tax or withholding tax, imposed on them reduced by the terms of that double tax agreement.

New Zealand also imposes goods and services tax, or GST, on supplies deemed to be made in New Zealand of most goods and services. The rate of GST is usually 15%. GST is also imposed on certain imports of goods and services into New Zealand. Certain supplies such as financial services, as defined, are generally exempt from GST. Goods consumed outside of New Zealand and services supplied to non-resident located outside New Zealand at the time the services are performed, and services physically performed outside New Zealand (excluding remote services) supplied to a New Zealand GST registered person, are generally subject to GST at a reduced rate of 0%.

***New Zealand Regulations on the Application of the Common Reporting Standard***

In July 2014, the Organization for Economic Co-operation and Development, or the OECD, approved the *Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information in Tax Matters (AEOI)* to provide a global framework for the collection, reporting, and exchange of financial account information about persons that invest outside of their jurisdiction of tax residence. This aim of the CRS is to detect and deter offshore tax evasion and the CRS requires financial institutions to carry out certain due diligence and reporting measures, including but not limited to, review of their financial accounts so as to identify the accounts held or controlled by relevant foreign tax residents and collect and, in the case where an AEOI agreement in place between the two jurisdictions requiring the provision of such information, report the relevant information to the local revenue authority for exchange with the jurisdiction(s) of tax residence of the account holder or controlling person.

The New Zealand Government has made international commitments to implement the CRS in full accordance with the CRS and also the commentary to the CRS with supplements of the aforementioned due diligence and reporting measures. Therefore, both the CRS and the CRS commentary have been directly incorporated into New Zealand law, subject to certain modifications set out in the Tax Administration Act 1994, and the CRS started to apply in New Zealand from July 1, 2017. Further, New Zealand has adopted different standards of due diligence and reporting requirements for different financial accounts. A pre-existing individual account that is a cash value insurance contract or an annuity contract is not required to be reviewed, identified or reported, provided the reporting financial institution is effectively prevented by law from selling such contract to residents of a reportable jurisdiction while the procedures also vary with the value of the accounts.

Our New Zealand entities, Tiger Brokers (NZ) Limited and Tiger Fintech (NZ) Limited, as New Zealand financial institutions, are required to annually report, with the coverage of the year ended March 31, the account and identity information of account holders that are reportable persons to the New Zealand Inland Revenue Department. This will be exchanged with the person's jurisdiction(s) of tax residence if New Zealand has an AEOI agreement to provide this information to that jurisdiction or those jurisdictions, and the information about certain individual accounts that the CRS refers to as being "undocumented accounts" where the institution has not been able to identify the person's tax residency. We have completed all required CRS disclosure reports to the New Zealand Inland Revenue Department.

***PRC Regulations on Dividend Withholding Tax***

Pursuant to the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under the Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon conducting prescribed registration procedures with in-charge tax authority. However, based on the *Circular on the Issues concerning the Application of the Dividend Clauses of Tax Agreements* issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement of the *State Administration of Taxation on Issues Relating to "Beneficial Owner" in Tax Treaties*, issued on February 3, 2018 by the SAT, Beneficial Owner means a person who owns and controls income or the Announcement rights or property based on which the Recognition of Beneficial Owners in Tax Treaties issued on June 29, 2012 by income is generated. It also lays out the SAT negative factors that shall be taken into account when assessing whether a recipient of China-source income is a Beneficial Owner under tax treaty. Generally, conduit companies, which are established for the purpose of evading or reducing tax, or transferring or accumulating profits, will not be recognized as beneficial owners and thus are not entitled to the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

***Regulations on Tax regarding Indirect Transfer***

On February 3, 2015, the State Administration of Taxation, or the SAT, issued the SAT Circular 7. Pursuant to the SAT Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises, may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and is established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, considerations include, *inter alia*, (i) whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; (ii) whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income is mainly derived from China; and (iii) whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature evidenced by their actual function and risk exposure. According to the SAT Circular 7, where the payer fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. The SAT Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the SAT issued the *Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax*, or the SAT Circular 37, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain uncertainties as to the interpretation and application of the SAT Circular 7. The SAT Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sales of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

***PRC Regulations on Enterprise Income Tax***

Under the *Enterprise Income Tax Law of the PRC*, or the EIT Law, which became effective on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, and its implementing rules, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay enterprise income tax at the rate of 25%, while non-PRC resident enterprises without any branches in the PRC pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. An enterprise established outside China but with its "de facto management body" located within China is considered a "resident enterprise," which means that it is treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define "*de facto* management body" as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

The EIT Law and the implementation rules provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (i) do not have an establishment or place of business in the PRC or (ii) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent that such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions.

***PRC Value-Added Tax***

Pursuant to the Provisional Regulation of the PRC on Value-Added Tax issued by the State Council, effective on January 1, 1994, which was amended on November 10, 2008, February 6, 2016 and on November 19, 2017, or the Provisional Regulation, and its Implementing Rules, all entities and individuals that are engaged in the sale of goods, the provision of processing, repairs and installation services, sales of services, intangible assets, real property and the importation of goods in the PRC are required to pay a valued-added tax, or VAT. According to the Provisional Regulation, the generally applicable VAT rates are simplified as 17%, 11%, 6% and 0%, and the VAT rate applicable to the small-scale taxpayers is 3%.

On April 4, 2018, the Ministry of Finance and the SAT issued the Circular on Adjustment of Value-added Tax Rates. According to which relevant Value-added Tax rates have been reduced from May 1, 2018 and April 1, 2019, such as the deduction rates of 17% and 11% applicable to the taxpayers who have Value-Added taxable sales activities or imported goods have been adjusted to 13% and 9%, respectively.

As of the date of this annual report, most of our entities were subject to the valued-added tax at the rate of 6% for services provided as of December 31, 2024.

***C. Organizational Structure***

UP Fintech is a holding company with no material operations of its own. We conduct our operations primarily through our New Zealand subsidiaries, U.S. subsidiaries, Singapore subsidiaries, Hong Kong subsidiaries and the VIEs and their respective subsidiaries in China.

A listing of the Company's principal subsidiaries directly and indirectly held and VIEs as of the date of this annual report is set forth in Exhibit 8.1 to this annual report on Form 20-F.

***D. Property, Plants and Equipment***

**Facilities**

We are headquartered in Singapore, where we lease 9,709 square feet. In addition, we also have leased properties principally for our operations in Beijing, Auckland, Sydney, Singapore, the State of New York, United States, Hong Kong and other cities in China. Our leased premises are leased from unrelated third parties who either have valid titles to the relevant properties or proper authorization from the title holder to sublease the property. We believe that we will be able to obtain adequate facilities, principally through leasing, to accommodate our future expansion plans.

**Item 4A. Unresolved Staff Comments**

None.

**Item 5. Operating and Financial Review and Prospects**

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements, including the notes thereto, included in this annual report, as well as "Presentation of Financial and Certain Other Information," Item 3. "Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure" Item 3.D. "Risk Factors" and Item 4.B. "Business Overview."

The following discussion includes certain forward-looking statements. Actual results may differ materially from those discussed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this annual report, including in "Item 5.G. Safe Harbor", "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure", and " Item 3.D. Risk Factors."

**Overview**

We are a leading integrated financial technology platform providing cross-market, multi-product investment experience for investors around the world. Our proprietary trading platform enables investors to trade in equities and other financial instruments on multiple exchanges around the world.

We offer comprehensive brokerage services through our integrated single-account structure, which empowers users in trade execution, margin financing and securities lending across different global markets. We also provide value-added services, such as investor education, community engagement and IR platform, all within a few taps or clicks through APP on smartphone, tablet and PC terminals.

We generate revenues primarily by charging our customers commission fees for trading of securities as well as earning interest income or financing service fees arising from or related to margin financing provided by ourselves or third parties to our customers to finance their trading activities.

We have achieved substantial growth since we launched our platform in August 2015. Our total revenues were US$225.4 million, US$272.5 million and US$391.5 million in 2022, 2023 and 2024, respectively. We generated net income of US$33.0 million and US$61.4 million in 2023 and 2024, respectively, and recorded net losses of US$2.3 million in 2022.

**Reorganization**

We commenced our technology research and development in June 2014 through one of the VIEs, Beijing Rongke. To facilitate foreign investment in our business, starting from early 2018, we began to establish an offshore holding structure for our company. As part of the efforts, we incorporated UP Fintech Holding Limited in January 2018, which controls Beijing Rongke and its subsidiaries through a series of contractual arrangements. See Item 4.A "History and Development of the Company-Reorganization."

In connection with the reorganization, in June 2018, UP Fintech Holding Limited issued Series Angel (in four tranches), Series A, Series B-1, and Series B-2 preferred shares to the shareholders of Beijing Rongke or their affiliates or designees to replicate the corresponding Series Angel (in four tranches), Series A, Series B, and Series B+ equity interest with preferred rights issued by Beijing Rongke prior to the reorganization, all of which converted to Class A ordinary shares of the Company in connection with the completion of our initial public offering. UP Fintech Holding Limited also adopted a new share incentive plan, or the 2018 Share Incentive Plan, to replicate and replace the equity incentive plan adopted by Beijing Rongke in 2014.

***A. Operating Results***

**Factors Affecting Our Results of Operations**

We believe our business and operating results are affected by general factors affecting the online brokerage industry, which include economic and political conditions, broad trends in business and finance, changes in volume of securities transactions, changes in the markets in which such transactions occur and changes in how such transactions are processed, growth of private wealth of our existing and potential customers, demand for global asset allocation as well as changes in the regulatory regime over the online brokerage industry and the Internet industry. Unfavorable changes in any of these general financial and regulatory conditions, reduction in trading volume in the U.S. and Hong Kong stocks and other financial instruments, unfavorable currency fluctuations and volatility of the trading activity on exchanges in the United States and other countries could negatively affect demand for our services and materially and adversely affect our results of operations.

In addition, we believe our results of operations are more directly affected by company specific factors, including our ability to: maintain and expand our customer base globally, maintain and enhance customer engagement, earn commissions for brokerage services and interest income or financing service fees for margin financing, effectively improve technology infrastructure and serve more consolidated accounts, develop a diverse customer base and offer new and innovative products and services, and operate in a cost-effective manner. In addition, the laws, regulations and governmental policies of various jurisdictions may impact our operations, including New Zealand, U.S., PRC, Singapore, Australia and Hong Kong laws and regulations. See Item 4.B "Business Overview" for a summary of the principal applicable laws which may affect our business.

The Company is exposed to the risks and complexities inherent in doing business in international markets, some of which, such as those associated with an uncertain regulatory environment. Restrictive regulations or government intervention in any of the regions in which we operate (including China, Singapore, Hong Kong and the United States) and the interaction thereof could impact the conduct of security transactions and affect our business.

We expect to continue to expand our operations to new markets and into new services lines in the future. We believe that customers from new markets and customers interested in new services will increase demand for our products and services and, consequentially, may turn these markets and/or products into growth drivers in future years. However, we cannot guarantee that we will be successful in growing our customer base or our operations on our desired timeline or at all.

Additionally, capital markets worldwide may remain volatile or increase in volatility in the coming year due to continued tightening of monetary policy by central banks, increased market interest rates, the prospect or perception of recession or inflation, geopolitical factors such as the war in Ukraine, and other macroeconomic factors. These factors may have a negative impact on the financial position of our customers, which could decrease trading volume and negatively impact demand for our services and, consequently, our commissions, but they may also represent opportunities for us to increase our interest income.

**Recent Accounting Pronouncements**

A list of recently issued accounting pronouncements that are relevant to us is included in Note 2 to our audited consolidated financial statements included elsewhere in this annual report.

**Key Components of Results of Operations**

***Revenues***

Our revenues consist of commissions, financing service fees, interest income, and other revenues. The following table sets forth the breakdown of our total revenues, both in absolute amount and as a percentage of our total revenues, for the years indicated:

| | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | |
| | US$ | % | US$ | % | US$ | % |
| | (in thousands except for percentages) | | | | | |
| **Revenues:** | | | | | | |
| Commissions | 108,118 | 48.0 | 92,594 | 34.0 | 159,045 | 40.6 |
| Financing service fees | 7,903 | 3.5 | 12,179 | 4.4 | 11,312 | 2.9 |
| Interest income | 85,150 | 37.8 | 149,291 | 54.8 | 191,755 | 49.0 |
| Other revenues | 24,195 | 10.7 | 18,444 | 6.8 | 29,430 | 7.5 |
| **Total revenues** | **225,366** | **100.0** | **272,508** | **100.0** | **391,542** | **100.0** |
| Interest expense | (18,669) | (8.3) | (46,958) | (17.2) | (60,804) | (15.5) |
| **Total net revenues** | **206,697** | **91.7** | **225,550** | **82.8** | **330,738** | **84.5** |

*Commissions*

We earn commissions from the brokerage services we deliver for customers' fully disclosed accounts and consolidated accounts. See Item 4.B "Business Overview-Our Core Products and Services-Brokerage Services-Types of Accounts." We charge commission fees based on the amount of transaction volume, or the number of shares, lots or contracts in each order, which generally vary in accordance with the type of products or services, timing of account activation, eligibility for discounts and other factors. In 2022, 2023 and 2024, the average rate of commissions over trading volume was 0.0335%, 0.0315% and 0.0288%, respectively, which is the ratio of the total commissions to the total trading volume in the same period. The decrease in the average commission rates was primarily the lower average fee rate attributable to industry competition in the year 2024.

Pursuant to the agreement with our primary clearing agent, Interactive Brokers, we receive a portion of commission fees paid by our customers every time Interactive Brokers executes and clears a trade order. For consolidated accounts, we receive commissions from customers and pay the execution and clearing fees to our clearing agents. For fully disclosed accounts, every time Interactive Brokers executes and clears a trade, it collects the commissions, deducts a certain portion as execution and clearing fees and returns the rest of the commissions to us.

*Financing service fees*

Financing service fees include fees Interactive Brokers paid to us regarding the margin financing and securities borrowing and lending activities provided by Interactive Brokers to our fully disclosed account customers for trading purposes. We generally charge a specific rate above the interest rate of the margin loan or funding from the clearing agents. In 2022, 2023 and 2024, the average annualized rate of financing service fees over the average balance of the margin loans provided by the clearing agents was 1.65%, 3.18% and 2.74%, respectively. The decrease of financing service fees in 2024 compared with 2023 was primarily due to a decrease in securities lending activities of our fully disclosed account customers.

*Interest income*

We earn interest income from margin financing and securities borrowing and lending activities we provided to our consolidated account customers for trading purposes. In 2022, 2023 and 2024, the average annualized rate of our margin financing and our securities borrowing and lending activities provided by us to the consolidated account customers on our platform was 6.86%, 8.16% and 5.69%, respectively. The increase of interest income in 2024 compared with 2023 was primarily the increase in margin financing and securities lending activities of our consolidated account customers.

*Other revenues*

We earn other revenues primarily from initial public offering ("IPO") distribution service, currency exchange service and other service. Revenues from the IPO distribution service are derived from IPO underwriting fees and new share subscription service fees in relation to IPOs in the USA and Hong Kong capital markets. IPO distribution revenue is generally recognized when the services are completed. Revenue from currency exchange service is charged to our clients for providing currency exchange service, which was recorded upon the time when the services are rendered to customers. We also earn revenue from promotional and advertisement services, and financial advisory service rendered to customers, which are recorded over the period of service provided.

*Interest expense*

We pay interest expense by borrowing from other licensed financial institutions and other parties to fund our margin financing business, securities borrowing and lending activities.

***Operating Cost and Expenses***

The following table sets forth our operating cost and expenses, both in absolute amount and as a percentage of total revenues, for the years indicated:

| | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | |
| | US$ | % | US$ | % | US$ | % |
| | (in thousands except for percentages) | | | | | |
| Execution and clearing | 15,608 | 6.9 | 9,084 | 3.3 | 14,652 | 3.7 |
| Employee compensation and benefits (including share-based compensation) | 101,749 | 45.1 | 100,751 | 37.0 | 122,366 | 31.3 |
| Occupancy, depreciation and amortization | 9,013 | 4.0 | 9,387 | 3.4 | 8,554 | 2.2 |
| Communication and market data | 27,138 | 12.0 | 30,831 | 11.3 | 38,893 | 9.9 |
| Marketing and branding | 33,122 | 14.7 | 20,860 | 7.7 | 28,530 | 7.3 |
| General and administrative | 18,333 | 8.2 | 21,791 | 8.0 | 39,279 | 10.0 |
| **Total operating cost and expenses** | **204,963** | **90.9** | **192,704** | **70.7** | **252,274** | **64.4** |

*Execution and clearing*

Execution and clearing expenses primarily include the fees we pay to clearing agents to execute and clear trades. We only incur execution and clearing expenses for consolidated accounts as we pay a certain portion of the commission we collect from our customers to clearing agents as execution and clearing expenses. We do not incur execution and clearing expenses for fully disclosed accounts as the revenue is recognized on a net basis.

*Employee compensation and benefits*

Employee compensation and benefits expenses include salaries, wages, bonuses, share-based compensation and other benefits for all employees. Our employee compensation and benefits expenses also include salaries, wages, bonuses and other benefits we pay to employees who are in our research and development department, which represent substantially all of our research and development expenses. Research and development expenses primarily consist of salaries and employee benefits, rental, and depreciation expense related to the development of our proprietary trading platform, back-end technology and customer relationship management system.

*Occupancy, depreciation and amortization*

Occupancy expenses consist primarily of rental payments on office and data center leases and related occupancy costs, such as utilities. Depreciation and amortization expenses result from the depreciation of fixed assets, such as electronic equipment and office equipment, as well as leasehold improvements, and the amortization of intangible assets.

*Communication and market data*

Communication and market data expenses are primarily related to the fees we pay to stock exchanges and third parties, including the Nasdaq, New York Stock Exchange, Hong Kong Stock Exchange and Shanghai Stock Exchange, to subscribe for market data and news. These expenses also include bandwidth fees, expenses to acquire or maintain servers and data centers as well as other expenses relating to the telecommunication infrastructure.

*Marketing and branding*

Marketing and branding expenses consist primarily of advertising and promotion expenses, payments to business partners pursuant to the revenue-sharing arrangements, customer referral fees and other expenses associated with our marketing and branding activities.

*General and administrative*

General and administrative expenses primarily consist of intermediary service expenses, traveling expenses, business entertainment expenses and miscellaneous expenses relating to our facilities and other administrative expenses. Intermediary service fees primarily consist of fees we pay our professional service providers including our lawyers, accountants and consultants.

***Income before income taxes***

The following table sets forth our income before income taxes, both in absolute amount and as a percentage of our total revenues, for the years indicated.

| | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | |
| | US$ | % | US$ | % | US$ | % |
| | (in thousands except for percentages) | | | | | |
| Total revenues | 225,366 | 100.0 | 272,508 | 100.0 | 391,542 | 100.0 |
| Interest expense | (18,669) | (8.3) | (46,958) | (17.2) | (60,804) | (15.5) |
| Total net revenues | 206,697 | 91.7 | 225,550 | 82.8 | 330,738 | 84.5 |
| Total operating cost and expenses | (204,963) | (90.9) | (192,704) | (70.7) | (252,274) | (64.4) |
| Other income | 298 | 0.1 | 13,148 | 4.8 | 3,300 | 0.8 |
| **Income before income taxes** | **2,032** | **0.9** | **45,994** | **16.9** | **81,764** | **20.9** |

*Cybersecurity*

For the years ended December 31, 2022, 2023 and 2024, US$0.4 million, US$0.6 million and US$0.6 million of cybersecurity mitigation costs have been expensed (excluding labor costs), respectively. There were no costs due to cybersecurity incidents in 2022, 2023 and 2024, nor was there any impact of cybersecurity incidents on our reportable segments.

**Taxation**

***Cayman Islands***

We are not subject to income or capital gains tax under the current laws of the Cayman Islands. There are no other taxes likely to be material to us levied by the government of the Cayman Islands.

***British Virgin Islands***

Our subsidiaries incorporated in the BVI are not subject to income or capital gains tax under the current laws of the BVI. There are no other taxes likely to be material to us levied by the government of the BVI.

***New Zealand***

Our subsidiaries incorporated in New Zealand are subject to an income tax rate of 28% for taxable income earned in New Zealand. Dividends between members of the same wholly owned group are exempt income and therefore are not subject to withholding tax rules.

***Hong Kong***

Our subsidiaries incorporated in Hong Kong were subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong before April 1, 2018. Starting from the financial year commencing on April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. Hong Kong does not impose a withholding tax on dividends.

***Singapore***

Our subsidiaries incorporated in Singapore are subject to an income tax rate of 17% for taxable income earned in Singapore. Singapore does not impose a withholding tax on dividends for resident companies.

***Australia***

Our subsidiaries located in Australia are subject to an income tax rate of 30% for taxable income earned in Australia.

***United States***

Our subsidiaries incorporated in the United States are subject to a federal income tax rate of 21% for taxable income earned in the USA. Taxable income apportioned to New York, New York City, and New Jersey is also subject to tax at statutory tax rates of 6.5%, 8.85%, and 11.5%, respectively.

***China***

Our PRC subsidiaries and the VIEs, which are considered PRC resident enterprises under PRC tax law, are subject to enterprise income tax on their worldwide taxable income as determined under PRC tax laws and accounting standards, the EIT Law. Under the EIT Law, the standard enterprise income tax rate for domestic enterprises and foreign invested enterprises is 25%. In addition, the EIT Law and its implementing rules permit qualified "State-encouraged High-new Technologies Company," or the HNTE, to enjoy a reduced 15% EIT rate. The HNTE certificate is effective for a period of three years. Certain PRC subsidiaries, VIEs and VIEs' subsidiaries, including Beijing U-Tiger Business, Beijing Yixin, Beijing U-Tiger Network, Hangzhou U-Tiger, Guangzhou U Tiger and Beijing Xiangshang are qualified HNTEs and enjoy a reduced income tax rate of 15% for the years ended December 31, 2022, 2023 and 2024. An entity could re-apply for the HNTE certificate when the prior certificate expires. Historically, all companies successfully re-applied for the certificates when the prior once expired. Our other subsidiaries are subject to income tax rate of 25%, according to EIT Law.

In addition, most of our PRC subsidiaries, the VIEs and VIEs' subsidiaries are subject to value-added taxes, or VAT, on the services they provide at the rate of 6%, plus related surcharges, less any deductible VAT they have already paid or borne.

The related enterprise income tax law also imposes a withholding income tax on dividends distributed by a foreign investment enterprise ("FIE") to its immediate holding company outside of the PRC. According to the arrangement between Chinese mainland and HKSAR, dividends paid by an FIE in Chinese mainland to its immediate holding company in HKSAR will be subject to withholding tax at a rate of no more than 5%. Dividends paid from US subsidiaries to their parent company of the US companies is incorporated are subject to US withholding tax at a rate of 30%. Cash dividends paid by a New Zealand incorporated company is subject to 5% withholding under the New Zealand-Singapore Double Tax Agreement. See "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure – We may not be able to obtain certain tax benefits for dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiaries."

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See Item 3.D "Risk Factors – Risks Related to Doing Business in China – We may be deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, or the EIT Law, and be subject to the PRC taxation on our worldwide income, which may significantly increase our income tax expenses and materially decrease our profitability."

**Non-GAAP Financial Measure**

In evaluating our business, we consider and use adjusted net loss or income as a supplemental measure to review and assess our operating performance. The presentation of the non-GAAP financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define adjusted net loss or income as net loss or income excluding share-based compensation, and impairment loss from equity investments. Such adjustments have no impact on income tax.

We present this non-GAAP financial measure because it is used by our management to evaluate our operating performance and formulate business plans. Adjusted net loss or income enables our management to assess our operating results without considering the impact of share-based compensation, and impairment loss from equity

investments. We also believe that the use of this non-GAAP financial measure facilitate investors' assessment of our operating performance.

This non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. This non-GAAP financial measure has limitations as an analytical tool. One of the key limitations of using adjusted net loss or income is that they do not reflect all items of income and expense that affect our operations. Share-based compensation, and impairment loss from equity investment have been and may continue to be incurred in our business and are not reflected in the presentation of adjusted net loss or income. Further, this non-GAAP financial measure may differ from the non-GAAP financial information used by other companies, including peer companies, and therefore their comparability may be limited. Other companies may calculate similarly titled measure differently, limiting the usefulness of such measure when analyzing our data comparatively.

This non-GAAP financial measure should not be considered in isolation or construed as alternatives to total operating expenses, net loss or income or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review this historical non-GAAP financial measure in light of the most directly comparable GAAP measure, as shown below. This non-GAAP financial measure presented here may not be comparable to similarly titled measure presented by other companies. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

**Results of Operations**

The following table sets forth a summary of our consolidated results of operations for the period indicated, both in absolute amounts and as percentages of our total revenues. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period. The table below also sets forth a reconciliation of adjusted net income (loss), a non-GAAP financial measure, to GAAP net income (loss).

| | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | |
| | US$ | % | US$ | % | US$ | % |
| | (in thousands except for percentages) | | | | | |
| **Consolidated results of operations** | | | | | | |
| **Revenues:** | | | | | | |
| Commissions | 108,118 | 48.0 | 92,594 | 34.0 | 159,045 | 40.6 |
| Financing service fees | 7,903 | 3.5 | 12,179 | 4.4 | 11,312 | 2.9 |
| Interest income | 85,150 | 37.8 | 149,291 | 54.8 | 191,755 | 49.0 |
| Other revenues | 24,195 | 10.7 | 18,444 | 6.8 | 29,430 | 7.5 |
| **Total revenues** | **225,366** | **100.0** | **272,508** | **100.0** | **391,542** | **100.0** |
| Interest expense | (18,669) | (8.3) | (46,958) | (17.2) | (60,804) | (15.5) |
| **Total net revenues** | **206,697** | **91.7** | **225,550** | **82.8** | **330,738** | **84.5** |
| **Operating cost and expenses:** | | | | | | |
| Execution and clearing | (15,608) | (6.9) | (9,084) | (3.3) | (14,652) | (3.7) |
| Employee compensation and benefits (including share-based compensation) | (101,749) | (45.1) | (100,751) | (37.0) | (122,366) | (31.3) |
| Occupancy, depreciation and amortization | (9,013) | (4.0) | (9,387) | (3.4) | (8,554) | (2.2) |
| Communication and market data | (27,138) | (12.0) | (30,831) | (11.3) | (38,893) | (9.9) |
| Marketing and branding | (33,122) | (14.7) | (20,860) | (7.7) | (28,530) | (7.3) |
| General and administrative | (18,333) | (8.2) | (21,791) | (8.0) | (39,279) | (10.0) |
| **Total operating cost and expenses** | **(204,963)** | **(90.9)** | **(192,704)** | **(70.7)** | **(252,274)** | **(64.4)** |
| **Other income:** | 298 | 0.1 | 13,148 | 4.8 | 3,300 | 0.8 |
| **Income before income taxes** | **2,032** | **0.9** | **45,994** | **16.9** | **81,764** | **20.9** |
| Income tax expense | (4,289) | (1.9) | (12,987) | (4.8) | (20,410) | (5.2) |
| **Net (loss) income** | **(2,257)** | **(1.0)** | **33,007** | **12.1** | **61,354** | **15.7** |
| **Add non-GAAP adjustments** | | | | | | |
| Share-based compensation | 14,214 | 6.3 | 10,147 | 3.7 | 9,737 | 2.5 |
| Impairment loss from equity investments | 648 | 0.3 | — | — | — | — |
| **Adjusted Non-GAAP Net income** | **12,605** | **5.6** | **43,154** | **15.8** | **71,091** | **18.2** |

For discussion of 2022 and 2023 results, refer to the disclosures set forth under the heading "Item 5. Operating and Financial Review and Prospects – A. Operating Results" in our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on April 22, 2024 and available on the internet site maintained by the SEC at www.sec.gov.

**Year ended December 31, 2024 compared with year ended December 31, 2023**

***Revenues***

Total revenues increased by 43.7% from US$272.5 million in 2023 to US$391.5 million in 2024. This increase was primarily driven by significant increases in commissions and interest income.

*Commissions.* Commissions were US$159.0 million in 2024, a 71.8% increase from US$92.6 million in 2023, driven by an increase in our user base and trading volume. Our trading volume increased from US$294.2 billion in 2023 to US$552.3 billion in 2024.

*Financing service fees.* Financing service fees were US$11.3 million in 2024, a decrease of 7.1% from US$12.2 million in 2023, primarily due to a decrease in securities lending activities of our fully disclosed account customers. Financing service fees from margin financing activities decreased by 4.6% from US$11.1 million in 2023 to US$10.6 million in 2024. Financing service fees from securities lending activities decreased by 32.7% from US$1.1 million in 2023 to US$0.7 million in 2024.

*Interest income.* Interest income was US$191.8 million in 2024, up 28.4% from US$149.3 million in 2023. This was primarily due to the increase in margin financing and securities lending activities and the increase in interest income

from bank deposits. Interest income from securities lending activities increased by 10.2% from US$68.7 million in 2023 to US$75.7 million in 2024, interest income from margin financing activities increased by 37.9% from US$52.3 million in 2023 to US$72.2 million in 2024, which were mainly attributable to the increase in daily average securities lending and margin financing activities balance, respectively.

*Other revenues.* Other revenues were US$29.4 million in 2024, an increase of 59.6% from US$18.4 million in 2023. The increase was primarily due to the increase in IPO distribution income and currency exchange services income driven by a more active market environment.

*Interest expense.* Interest expense was US$60.8 million in 2024, an increase of 29.5% from US$47.0 million in 2023 due to increased margin financing and securities lending activities balance.

***Operating cost and expenses***

Total operating cost and expenses increased by 30.9% from US$192.7 million in 2023 to US$252.3 million in 2024, due to the expansion of business scale, various cost and operating expenses had increased. Operating cost and expenses consisted of the following:

*Execution and clearing.* Execution and clearing expenses were US$14.7 million in 2024, an increase of 61.3% from US$9.1 million in 2023. This increase was primarily due to an increase in our trading volume. Our trading volume increased from US$294.2 billion in 2023 to US$552.3 billion in 2024.

*Employee compensation and benefits.* Employee compensation and benefits expenses were US$122.4 million in 2024, an increase of 21.5% from US$100.8 million in 2023, primarily due to an increase of global headcount to support our global expansion. We had 1,109 and 1,193 employees as of December 31, 2023 and 2024 respectively.

*Occupancy, depreciation and amortization.* Occupancy, depreciation and amortization expenses were US$8.6 million in 2024, a decrease of 8.9% from US$9.4 million in 2023 due to the decrease in office rent price.

*Communication and market data.* Communication and market data expenses were US$38.9 million in 2024, an increase of 26.1% from US$30.8 million in 2023. This increase was due to increased IT-related fees and an increase in our user base.

*Marketing and branding.* Marketing and branding expenses were US$28.5 million in 2024, an increase of 36.8% from US$20.9 million in 2023, primarily due to higher marketing spending this year.

*General and administrative.* General and administrative expenses were US$39.3 million in 2024, an increase of 80.2% from US$21.8 million in 2023 due to an increase in bad debt expense. For the years ended December 31, 2023 and 2024, we recorded US$0.3 million and US$14.3 million of allowance for doubtful accounts, respectively.

***Income before income taxes***

We had a profit before income taxes of US$81.8 million in 2024, compared with US$46.0 million in 2023. The increase was primarily due to the increase of total revenues in 2024.

***Income tax expense***

We had income tax expense of US$20.4 million in 2024, compared with income tax expense of US$13.0 million in 2023, primarily due to the 77.8% year-over-year increase in our income before income tax expense.

***Net income***

As a result of the foregoing, our net income was US$61.4 million in 2024, as compared to a net income of US$33.0 million in 2023.

Adjusted net income, which excluded share-based compensation and impairment loss from equity investments, was US$71.1 million in 2024, as compared to US$43.2 million in 2023. See "Non-GAAP Financial Measure" for more information. See Item 5.A "Operating Results - Non-GAAP Reconciliations."

**Foreign Currency Fluctuations**

Substantially all of our revenues are denominated in U.S. dollars and Hong Kong dollars and our expenses are denominated in Renminbi and U.S. dollars. We have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, our results of operations and financial condition will be affected by the exchange rate between U.S. dollar and Hong Kong dollar as well as between U.S. dollar and Renminbi because a substantial portion of our operating costs and expenses is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars. We may seek to reduce the currency risk by entering into foreign currency instruments. We did not have any currency hedging instruments as of December 31, 2022, 2023 and 2024, however management monitors movements in exchange rates closely. Also see Item 3.D "Risk Factors" and Item 11 "Quantitative and Qualitative Disclosures About Market Risk."

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

US Tiger Securities, Inc. and TradeUP Securities must comply with the SEC's net capital requirements, by which its current financial health is measured by assessing its liquidity against the risks where it has exposure. At all times US Tiger Securities, Inc. and TradeUP Securities must maintain the net capital requirements, at a level equal to, or greater than, the prescribed minimum capital. US Tiger Securities, Inc. must maintain a minimum net capital requirement in compliance with the SEC Rule 15c3-1 as well as comply with the SEC Rule 17a-11 and the "early warning levels" for net capital requirements contained therein.

Tiger Brokers SG is a capital markets services license holder under Chapter 289 of SFA for (I) dealing in capital markets products that are securities, collective investment schemes, and exchange-traded derivatives contracts; (II) product financing; and (III) providing custodial services, and an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore (the FAA) for advising on investment products and issuing or promulgating analyses/reports on investment products that are securities, collective investment schemes, and exchange-traded derivatives contracts. Under the SFA, there is a requirement to maintain sufficient capital ("CAR") as part of its condition to operate the business in Singapore. CAR is calculated using a risk-based capital approach. For Tiger Brokers SG, the minimum base capital requirement is SGD 5 million and, in addition, the firm is required to analyze its operational risk and determine further capital requirement according to the risk the business faces. Its financial resources (which definition includes its base capital) cannot fall below its total risk requirement (i.e., the amount required to address risks arising from its activities), and in the case that its financial resources fall below 120% of its total risk requirement, it is required to immediately notify the MAS of this fact.

To date, we have financed our operating and investing activities through net proceeds from our securities offerings, cash generated from operating activities and historical equity financing activities. As of December 31, 2023 and 2024, our cash and cash equivalents were US$322.6 million and US$393.6 million, respectively. Our cash and cash equivalents primarily consist of cash on hand, demand deposits with financial institutions, term deposits with an original maturity of three months or less and highly liquid investments, which are unrestricted for withdrawal or use, and which have original maturities of three months or less. We believe our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements and material cash requirements for over the next 12 months. In the long term, beyond the next 12 months, we may decide to enhance our liquidity position or increase our cash reserve for future investments through additional capital and finance funding. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, or at all.

We have entered into various off-balance sheet arrangements in the ordinary course of business, primarily to meet the needs of our clients. These arrangements include the margin financing and borrowing agreements. Clients with margin loans have agreed to allow the Company to pledge collateralized securities in their brokerage accounts, which is generally equal to or in excess of the margin loan. Securities borrowing transactions require the Company to deposit

cash with the lender. The cash collateral received from customers for securities borrowings are generally in excess of the market value of the securities borrowed from other brokers. Increases in security prices may cause the fair value of the securities loaned to exceed the amount of cash received as collateral. In the event the customer to these transactions does not return the loaned securities or provide additional cash collateral, we may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy our client obligations. The Company monitors required margin and collateral level on a daily basis in compliance with regulatory and internal guidelines and controls its risk exposure through financial, credit, legal reporting system. Under applicable agreements, customers are required to deposit additional collateral or reduce holding positions, when necessary to avoid forced liquidation of their positions. See Note 17 to our financial statements for more information regarding the collateralized transactions.

We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

From time to time, we may make additional capital contributions to our PRC subsidiaries, establish new PRC subsidiaries or controlled affiliates and make capital contributions or other payments to these new PRC subsidiaries or controlled affiliates, make loans to our PRC subsidiaries or controlled affiliates, or acquire offshore entities with business activities in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals.

***Cash flows***

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

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | | US$ (in thousands) | |
| **Summary Consolidated Statement of Cash Flows Data:** | | | |
| Net cash provided by (used in) operating activities | 258,061 | (6,566) | 827,978 |
| Net cash used in investing activities | (3,612) | (7,751) | (8,657) |
| Net cash provided by financing activities | 4,730 | 1,820 | 103,827 |
| Increase (decrease) in cash and cash equivalents and restricted cash | 259,179 | (12,497) | 923,148 |
| Effect of exchange rate changes | (4,335) | (3,478) | (4,642) |
| Cash, cash equivalents and restricted cash at beginning of the year | 1,700,885 | 1,955,729 | 1,939,754 |
| **Cash, cash equivalents and restricted cash at end of the year** | **1,955,729** | **1,939,754** | **2,858,260** |

***Operating Activities***

Net cash provided by operating activities in 2024 was US$828.0 million, as compared to net income of US$61.4 million in 2024. The difference was primarily attributable to (i) an increase of US$1,800.0 million in payables to brokers, dealers and clearing organizations resulting from the increased borrowed margin activities form brokers, (ii) an increase of US$661.3 million in payables to customers resulting from an increase in our user base, and (iii) a decrease of US$363.0 million in financial instruments held at fair value in our trading accounts. This was positively impacted by (i) an increase of US$1,763.9 million in receivables from brokers, dealers and clearing organizations resulting from an increase in our user base and (ii) an increase of US$313.9 million in receivables from customers resulting from an increase in our user base.

Net cash used in operating activities in 2023 was US$6.6 million, as compared to net income of US$33.0 million in 2023. The difference was primarily attributable to (i) an increase of US$249.2 million in financial instruments held at fair value in our trading accounts, (ii) an increase of US$109.0 million in receivables from customers due to the increase in margin financing activities, and (iii) a decrease of US$83.1 million in payables to customers resulting from the weaker global capital markets. This was positively impacted by (i) a decrease of US$415.1 million in receivables from brokers, dealers and clearing organizations resulting from the weaker global capital markets and (ii) the US$10.1 million recognized share-based compensation expenses resulting from the options granted to the management and employees.

Net cash provided by operating activities in 2022 was US$258.1 million, as compared to net loss of US$2.3 million in 2022. The difference was primarily attributable to (i) an increase of US$159.7 million in financial instruments held at fair value, (ii) an increase of US$77.2 million in receivables from brokers, dealers and clearing organizations resulting from an increase in our user base, and (iii) a decrease of US$32.2 million in payables to brokers, dealers and clearing organizations resulting from the decreased borrowed margin activities from brokers. This was positively impacted by (i) an increase of US$486.9 million in amounts payables to customers resulting from an increase in our user base, (ii) a decrease of US$19.8 million in receivables from customers due to the decrease in margin financing and securities lending activities, and (iii) the US$14.2 million recognized share-based compensation expenses resulting from the options granted to the management and employees.

***Investing Activities***

Net cash used in investing activities in 2024 was US$8.7 million, consisting primarily of the purchase of equity method investment, term deposits and property, equipment and intangible assets of US$11.6 million, partially offset by maturity of term deposits of US$2.8 million.

Net cash used in investing activities in 2023 was US$7.8 million, consisting primarily of (i) the purchase of term deposits and property, equipment and intangible assets of US$7.0 million, (ii) US$0.5 million in payment for long-term investments.

Net cash used in investing activities in 2022 was US$3.6 million, consisting primarily of the purchase of property, equipment and intangible assets of US$4.9 million, partially offset by maturity of term deposits of US$2.1 million.

***Financing Activities***

Net cash provided by financing activities in 2024 was US$103.8 million, consisting primarily of net proceeds of US$103.7 million from follow-on public offering.

Net cash provided by financing activities in 2023 was US$1.8 million, consisting primarily of proceeds of US$1.7 million received from redeemable non-controlling interests.

Net cash provided by financing activities in 2022 was US$4.7 million, consisting primarily of proceeds of US$4.4 million received from redeemable non-controlling interests.

***Capital Expenditures***

Our capital expenditures were primarily incurred for purchases of servers, equipment and software. Historically, the amount of our capital expenditures has been small. Our capital expenditures were US$4.9 million, US$2.8 million and US$1.6 million in 2022, 2023 and 2024, respectively. We intend to fund our future capital expenditures with our existing cash balance. We will continue to incur capital expenditures as needed to meet the expected growth of our business.

**Holding Company Structure**

UP Fintech is a holding company with no material operations of its own. We conduct our operations primarily through our New Zealand subsidiaries, U.S. subsidiaries, Singapore subsidiaries, and the VIEs and their respective subsidiaries in China.

As a result, UP Fintech's ability to pay dividends may depend upon dividends paid by our PRC and New Zealand subsidiaries. If our existing PRC or New Zealand subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and VIEs in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, any of our

wholly foreign-owned subsidiaries in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and the VIEs may allocate a portion of their after-tax profits based on PRC accounting standards to discretionary surplus funds at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Furthermore, the PRC tax authorities may require our subsidiaries to adjust its taxable income under the contractual arrangements it currently has in place with the VIEs in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Dividend distributions from our U.S. subsidiaries will be subject to U.S. withholding tax. However, our U.S. subsidiaries have not paid dividends in the past and we have no plans for our U.S. subsidiaries to pay dividends in the foreseeable future.

Under New Zealand law, our New Zealand subsidiaries may authorize a distribution, including a dividend, at a time, and of any amount, and to any shareholder they think fit, provided that the solvency test and any relevant conditions contained in the New Zealand subsidiaries' constitution are satisfied. Each of our New Zealand subsidiaries satisfies the solvency test if it is able to pay its debts as they become due in the normal course of business and the value of its assets is greater than the value of its liabilities, including contingent liabilities. The subsidiary's directors who vote in favor of a dividend must sign a certificate stating that, in their opinion, it will, immediately after the distribution, satisfy the solvency test and the grounds for that opinion. The board must not authorize a dividend in respect of some but not all the shares in a class, or that is of a greater value per share in respect of some shares of a class than it is in respect of other shares of that class, unless the amount of the dividend in respect of a share of that class is in proportion to the amount paid to the company in satisfaction of the liability of the shareholder under the subsidiary's constitution or under the terms of issue of the share or is required, for a portfolio tax rate entity, as a result of sub-part HM of the Income Tax Act 2007.

**C. Research and development, patents and licenses, etc.**

Our research and development expenses primarily consist of salaries and employee benefits, rental, and depreciation expenses related to the development of our proprietary trading platform, back-end technology and customer relationship management system. For the years ended December 31, 2022, 2023 and 2024, US$60.1 million, US$63.5 million and US$80.1 million of research and development costs have been expensed as incurred as the costs qualifying for capitalization have been insignificant.

**D. Trend Information**

Please refer to our disclosures set forth under Item 3.D "Risk Factors," Item 4 "Information on the Company," and elsewhere in this Item 5 "Operating and Financial Review and Prospects" for information regarding the material risks, business developments and strategies, factors, and trends that are most likely to affect our business and results of operations through 2024.

**E. Critical Accounting Estimates**

Our consolidated financial statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting estimates are described below. The critical accounting estimates should be read in conjunction with our risk factors as disclosed in "Item 3. Key Information—D. Risk Factors." See Note 2 to our consolidated financial statements for the year ended December 31, 2024 for more information on our significant accounting policies.

***Provision of income tax and valuation allowance for deferred tax asset***

Significant judgment is required in determining income tax expense based on tax laws in the various jurisdictions in which we operate. In calculating our effective income tax rate, estimates are required regarding the timing and amount of taxable and deductible items which will adjust the pre-tax income earned in various tax jurisdictions. Through our interpretation of local tax regulations, adjustments to pretax income for income earned in various tax jurisdictions are reflected within various tax filings. Although we believe that our estimates and judgments discussed herein are reasonable, actual results may be materially different than the estimated amounts.

We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not a portion of or all of the deferred tax assets will not be realized. The realizability of deferred tax assets requires significant judgment associated with evaluation of past and projected financial performance which incorporates projections of future taxable income. If it is determined that we are able to realize deferred tax assets in excess of the net carrying value or to the extent we are unable to realize a deferred tax asset, we would adjust the valuation allowance in the period in which such a determination is made, with a corresponding increase or decrease to earnings.

## Item 6. Directors, Senior Management, and Employees

### *A. Directors and Senior Management*

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

| Directors and Executive Officers | Age | Position/Title |
|---|---|---|
| Tianhua Wu | 40 | Chief Executive Officer and Director |
| John Fei Zeng | 45 | Chief Financial Officer and Director |
| Lei Fang | 37 | Director |
| Jian Liu | 53 | Independent director |
| Chia Hung Yang | 62 | Independent director |
| Ming Liao | 53 | Independent director |

*Mr. Tianhua Wu* has served as our Chief Executive Officer, or CEO, and director since January 2018. Mr. Wu is the founder and CEO of Beijing Rongke since June 2014. Between 2005 and 2014, Mr. Wu served at Youdao of NetEase Inc., where he was responsible for core search. Mr. Wu has received many honors in the business world. He currently serves as a director for Up Fintech International Limited. Mr. Wu obtained both bachelor's and master's degrees in computer science and technology from Tsinghua University.

*Mr. John Fei Zeng* has served as our Chief Financial Officer since October 2018 and served as our director since September 5, 2022. Between 2010 and 2012, Mr. Zeng worked at the equity sales team of CICC. Between 2012 and 2015, he worked as a Director at UBS Global Capital Market. From 2015 to 2018, he served as an Executive Director in Equity Capital Markets (ECM) at Goldman Sachs, where he was the ECM captain for China fintech and healthcare sectors. Mr. Zeng obtained a B.S. degree in business administration from the University of Southern California and a MBA from New York University.

*Mr. Lei Fang* has served as our director since June 2018. Mr. Fang has served as a vice president of Beijing Rongke since 2016. Before joining us, he worked as regional sales director at Guosen Securities Co., Ltd.'s Beijing Branch from 2007 to 2011, as well as director of business management center and general manager of Majiapu business department from 2012 to 2015. Mr. Lei Fang received his bachelor's degree in international business from China Institute of Defense Science and Technology.

*Mr. Jian Liu* has served as our independent director since our initial public offering in March 2019. Since 2017, Mr. Liu has served as the Assistant Dean of the Institute of Financial Technology of Tsinghua University and the Deputy Director of Sunshine Internet Finance Innovation Research Center. Prior to that, Mr. Liu served as a general manager, vice president and partner of the investment banking division of Hejun Group Co., Ltd., formerly known as Beijing Hejun Venture Advising Co. Ltd., a managing director of Guangzhou Bianjia Brothers Enterprise Investment Management Co., Ltd., a managing director of Huaxia Keystone Financial Consulting Co., Ltd., and a director of Guangdong Hengxing Group. Mr. Liu received an EMBA degree from the School of Economics and Management of Tsinghua University and a bachelor's degree in law from Xiamen University.

*Mr. Chia Hung Yang (Conor Yang)* has served as our independent director since January 2023. Mr. Yang has also served as EHang Holdings Limited's (Nasdaq: EH) board director since December 2019 and as EHang's chief financial officer since September 2023. From 2007 to 2017, Mr. Yang served in several chief financial officer positions at US-listed companies including Tuniu Corporation (Nasdaq: TOUR), E-Commerce China Dangdang Inc., and AirMedia Group Inc. Mr. Yang was the chief executive officer of Rock Mobile Corporation from 2004 to 2007, and the chief financial officer of the Asia Pacific region for Cellstar Asia Corporation from 1999 to 2004. Prior to that, Mr. Yang was a senior banker at Goldman Sachs (Asia) L.L.C., Lehman Brothers Asia Limited and Morgan Stanley Asia Limited from 1992 to 1999. Mr. Yang currently also serves as an independent director of Ehang Holdings Limited (Nasdaq: EH), I-Mab (Nasdaq: IMAB), iQIYI, Inc. (Nasdaq: IQ), Tongcheng Travel Holdings Limited (HKSE: 0780) and Smart Share Global Limited (Nasdaq: EM). Mr. Yang received his master's degree in business administration from the University of California, Los Angeles (UCLA).

*Mr. Ming Liao* has served as our independent director since January 2024. Mr. Liao has been a founding partner and director of Prospect Avenue Capital, a late-stage private equity fund manager focusing on the internet industry since

July 2016. From February 2014 to February 2015, Mr. Liao served as the chief representative of UBS AG's Beijing representative office, working at its investment banking division. Prior to joining UBS, Mr. Liao was a director at the investment banking division of Barclays Capital Asia from May 2011 to March 2013. Before Barclays, Mr. Liao was a vice president at The Carlyle Group's investor relations division from September 2008 to May 2011, responsible for fund raising in China. Prior to joining Carlyle, Mr. Liao was a vice president in the investment banking division of Morgan Stanley Asia from August 2006 to August 2008. Mr. Liao currently serves as an independent director of Gaotu Techedu Inc. (NYSE: GOTU). Mr. Liao obtained his bachelor's degree in economics from Renmin University of China in 1995, and his master's degree in public affairs from the Woodrow Wilson School of Public and International Affairs at Princeton University in 2000.

There are no familial relationships among any of the Company's directors or senior managers set forth above. There are no agreements or understanding between the directors and members of senior management and any of our major shareholders, customers, suppliers or other persons pursuant to which such directors and members of senior management were selected as directors or members of senior management.

**B. *Compensation***

**Compensation of Directors and Executive Officers**

In 2024, we paid an aggregate of RMB2.3 million (US$0.3 million), HKD1.3 million (US$0.2 million) and US$0.2 million in cash to our executive officers and directors, and US$0.2 million to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our PRC, New Zealand, U.S., Singapore and Hong Kong subsidiaries and our PRC VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund. New Zealand has a statutory retirement savings scheme, Kiwisaver, in which New Zealand employees may participate.

**2018 Share Incentive Plan**

In June 2018, our board of directors approved the UP Fintech Holding Limited Share Incentive Plan, or the 2018 Share Incentive Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business.

The 2018 Share Incentive Plan consists of a share incentive plan for our service providers. The original maximum aggregate number of Class A ordinary shares that could be issued pursuant to all awards under the 2018 Share Incentive Plan was 187,697,314 Class A ordinary shares, which was increased to 254,697,314 Class A ordinary shares by the amendment thereto in December 2018.

**2019 Performance Incentive Plan**

In March 2019, we implemented the 2019 Performance Incentive Plan (the "2019 Plan"), which was approved by our board of directors to grant a maximum number of 52,000,000 ordinary shares under the 2019 Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. In December 2020, the Company's board of directors approved amendments to the 2019 Plan adding an additional 10,429,305 ordinary shares for issuance under the 2019 Plan, which were obtained through the Company's share buyback plan. In May 2021, the Company's board of directors approved an evergreen option plan which is to increase Class A ordinary shares to the Plan each year starting from 2021 in an amount equal to 1.5% of the total issued and outstanding shares as of December 31 of the immediately preceding year ("Evergreen Option"), and continuing as long as the unissued shares reserved under 2019 Plan account for less than ten percent (10%) of the total then issued and outstanding shares. The 2019 Plan consists of a share incentive plan for our service providers. The maximum aggregate number of Class A ordinary shares that could be issued pursuant to all awards under the 2019 Plan and 2018 Share Incentive Plan was 568,287,985 as of March 2025 (not accounting for future increases under the Evergreen Option) and the Company issued 413,432,187 Class A ordinary shares to the Plans as of March 2025. As of March 31, 2025, 359,939,736 Class A ordinary shares have been granted, excluding awards that were forfeited or cancelled after the relevant grant dates. In addition, as of the date of March 31, 2025, options to purchase

200,730,744 and 23,297,416 Class A ordinary shares have been granted and are outstanding, along with 233,101,847 and 86,840,537 restricted share units have been granted and are unvested.

The following paragraphs describe the principal terms of the 2019 Plan.

*Types of Awards.* The 2019 Plan permits the awards of options, share appreciation rights, restricted shares or any other type of awards approved by the plan administrator.

*Plan Administration.* The 2019 Plan will be administered by our board of directors, or one or more committees, within its delegated authority, appointed by the board of directors as the case may be. The committee(s) or the full board of directors will determine all or a part of the matters related to the 2019 Plan, including but not limited to: the participants to receive awards, the form, type and number of awards to be granted to each participant, and the terms and conditions of each award grant.

*Award Agreement.* Awards granted under the 2019 Plan are evidenced by an award agreement in writing, approved by the plan administrator, setting forth the terms of an award that has been duly authorized and approved.

*Eligibility.* We may grant awards to our directors, officers, employees, consultants and other eligible persons.

*Vesting Schedule.* In general, the plan administrator at its sole discretion determines the vesting schedule, which is specified in the relevant award agreement.

*Exercise of Options.* The plan administrator at its sole discretion determines the exercise price for each award, which is stated in the relevant award agreement.

*Transfer Restrictions.* Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2019 Plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

*Termination and Amendment of the 2019 Plan.* Unless terminated earlier, the 2019 Plan has a term of ten years. Our board of directors has the authority to amend or terminate the plan. However, no such action may adversely affect in any material way any awards previously granted unless agreed by the recipient.

| Name | Class A Ordinary Shares Underlying Outstanding Awards | Exercise Price or Purchase Price (US$/Share) | Date of Grant | Date of Expiration |
|---|---|---|---|---|
| Lei Fang | | US$0.00001 | October 1, 2015 | September 30, 2025 |
| | | US$0.00001 | January 4, 2016 | January 3, 2026 |
| | | US$0.00001 | April 1, 2016 | March 31, 2026 |
| | | US$0.0001 | October 1, 2018 | September 30, 2028 |
| | * | US$0.20000 | January 1, 2019 | December 31, 2028 |
| Chia Hung Yang | * | | January 23, 2023 | January 22, 2033 |
| Jian Liu | | | April 15, 2021 | April 14, 2031 |
| | * | | March 19, 2022 | March 18, 2032 |
| Ming Liao | * | | January 10, 2024 | January 9, 2034 |

* Less than 1% of our total outstanding Class A ordinary shares.

**Employment Agreements**

We have entered into employment agreements with each of our executive officers. The current term of these employment agreements will be until the next shareholders meeting, unless terminated earlier pursuant to the provisions thereof, and these agreements will be automatically extended for successive periods of 12 months each subject to the provisions thereof. We may terminate employment for cause, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, or a continued failure to perform

agreed duties. We may also terminate an executive officer's employment without cause upon 60-day prior written notice. In such case of termination by us, we will provide severance payments and other compensation to the executive officer as expressly required by applicable laws and these employment agreements. The executive officer may resign at any time with a 60-day prior written notice.

***C. Board Practices***

**Board of Directors**

Our board of directors consist of six directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract, or arrangement in which he or she is materially interested. A director may not exercise all the powers of our company to borrow money, mortgage its business, property and uncalled capital and issue debentures or other securities whenever money is borrowed or as security for any obligation of our company or of any third party.

*Board Diversity Matrix*

| Board Diversity Matrix (As of March 31, 2025) | | | | |
|---|---|---|---|---|
| **Country of Principal Executive Offices** | **Singapore** | | | |
| **Foreign Private Issuer** | **Yes** | | | |
| **Disclosure Prohibited under Home Country Law** | **No** | | | |
| **Total Number of Directors** | **6** | | | |
| | **Female** | **Male** | **Non-Binary** | **Did Not Disclose Gender** |
| **Part I: Gender Identity** | | | | |
| Directors | 0 | 6 | 0 | 0 |
| **Part II: Demographic Background** | | | | |
| Underrepresented Individual in Home Country Jurisdiction | 0 | | | |
| LGBTQ+ | 0 | | | |
| Did Not Disclose Demographic Background | 0 | | | |

The Company is committed to evaluating board candidates in light of the current composition of the board and to considering characteristics such as independence, knowledge, skills, experience and diversity. We intend to undertake reasonable efforts to meet the diversity objectives set forth by our board of directors.

**Committees of the Board of Directors**

The Company's board of directors has three committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Charters have been adopted for each committee. Each committee's members and functions are described below.

*Audit Committee.* Our audit committee consists of Mr. Chia Hung Yang, Mr. Jian Liu and Mr. Ming Liao. Mr. Chia Hung Yang is the chairman of our audit committee. We have determined that Mr. Chia Hung Yang, Mr. Jian Liu and Mr. Ming Liao satisfy the "independence" requirements of Rule 5605(c)(2) of the Listing Rules of The Nasdaq Stock Market LLC and Rule 10A-3 under the Exchange Act. We have determined that Mr. Chia Hung Yang qualifies as an "audit committee financial expert". The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;

- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

*Compensation Committee.* Our compensation committee consists of Mr. Tianhua Wu, Mr. John Fei Zeng and Mr. Lei Fang. Mr. Tianhua Wu is the chairman of our compensation committee. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our CEO may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our CEO and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

*Nominating and Corporate Governance Committee.* Our nominating and corporate governance committee consists of Mr. Tianhua Wu, Mr. John Fei Zeng and Mr. Lei Fang. Mr. Tianhua Wu is the chairman of our nominating and corporate governance committee. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

**Duties of Directors**

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the care, diligence and skills

that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs.

**Terms of Directors and Officers**

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and will hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind. See Item 6.A "Directors and Senior Management" for additional information about our current directors and Item 7.B "Related Party Transactions" for additional information about employment agreements for our executive officers.

**Role of the Board in Risk Oversight**

Our board of directors is responsible for the oversight of our risk management activities. While our board of directors oversees our risk management, our senior management is responsible for day-to-day risk management processes. For example, we have a security department that oversees our cybersecurity risks, and we have a risk control department for oversight risks. Management reports to the board on its risk oversight initiatives and observations. We believe this division of responsibilities is the most effective approach for addressing the risks we face. Our board of directors and committees of the board of directors meet regularly with senior management to discuss risks affecting or likely to affect the Company.

Our nominating and corporate governance committee is responsible for periodically reviewing the board's leadership structure in light of the specific characteristics of the Company and recommending any changes to the board for approval, and discussing the effect on the board's leadership structure of the board's role in risk oversight of the Company. Our audit committee is responsible for reviewing and discussing the Company's policies with respect to risk assessment and risk management, as well as for oversight of risks impacting the Company's financial statements. Our compensation committee is responsible for periodically reviewing the Company's compensation policies and practices in order to assess whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

***D. Employees***

We had 1,040 and 1,109 employees as of December 31, 2022 and 2023 respectively. As of December 31, 2024, we had 1,193 employees, with 956 based in Chinese mainland and Hong Kong, 83 based in the United States, 89 based in Singapore, 42 based in New Zealand, 20 based in Australia and 3 based in another country. Below is a breakdown of employees by their departments as of December 31, 2024.

| Department | Number of employees | % of total |
|---|---|---|
| Research and development and technology | 534 | 44.8% |
| Compliance, legal and finance | 135 | 11.3% |
| Business and customer support | 163 | 13.7% |
| Marketing | 112 | 9.4% |
| Operations | 84 | 7.0% |
| General and administration | 165 | 13.8% |
| **Total** | 1,193 | 100.0% |

We enter into individual employment contracts with selected employees to cover matters including non-competition and confidentiality arrangements. We generally formulate our employees' remuneration package to include salary and benefits. We provide our employees with social security benefits in accordance with all applicable regulations and internal policies. None of our employees work under any collective bargaining agreements.

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

The following table sets forth information with respect to the beneficial ownership, within the meaning of rules and regulations of the SEC, of our ordinary shares, on a fully diluted and as-converted basis, as of March 31, 2025, by:

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

Beneficial ownership includes the power to direct the voting or the disposition of the securities or to receive the economic benefit of ownership of the securities. Except as indicated below, and subject to applicable community property laws, the persons named in the table have the sole power to direct the voting or the disposition of the ordinary shares or to receive the economic benefit of ownership of the ordinary shares shown as beneficially owned by them.

| Name | ADS Number | Percentage of Class | Class A Number[1] | Shares Percentage of Class | Class B Number | Shares Percentage of Class | Total Percentage Voting Power |
|---|---|---|---|---|---|---|---|
| **Major Shareholders** | | | | | | | |
| Xiaomi Corporation[2] | — | — | 123,411,392 | 4.56% | — | — | 2.75% |
| **Directors and Executive Officers** | | | | | | | |
| Tianhua Wu[3 4 5] | 18,290,670 | 10.78% | 274,360,050 | 10.14% | 97,611,722 | 100% | 49.60% |
| John Fei Zeng | * | * | * | * | — | — | — |
| Lei Fang | * | * | * | * | — | — | — |
| Ming Liao | — | — | — | — | — | — | — |
| Chia Hung Yang | — | — | — | — | — | — | — |
| Jian Liu | * | * | * | * | — | — | — |
| All directors and executive officers as a group | 20,149,066 | 11.87% | 302,236,035 | 11.17% | 97,611,722 | 100% | 50.22% |

Notes:

For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to twenty votes per share on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law.

* Less than 1% of our total outstanding shares

1. The numbers set forth in this column include Class A shares represented by our outstanding ADSs held by each shareholder.

2. The information provided with respect to Xiaomi Corporation is derived from our Register of Member (ROM) and only reflects the ordinary shares held by Xiaomi Corporation. However, Xiaomi Corporation may also hold ADSs of our company in the secondary market. Xiaomi Corporation, a Cayman Islands company listed on the Hong Kong Stock Exchange (stock code: 01810), holds equity in our company through its wholly-owned BVI subsidiary, Fast Pace Limited. Fast Pace Limited, in turn, fully owns People Better Limited, which directly holds shares in our company.

3. Representing (i) 221,134,500 Class A Ordinary Shares in the form of ADSs which are beneficially owned by Mr. Tianhua Wu; and (ii) 53,225,550 Class A Ordinary Shares in the form of ADSs issued under the UP Fintech Holding Limited Share Incentive Plan and the UP Fintech Holding Limited 2019 Performance Incentive Plan of the Issuer (the "Plans") with the voting rights attached thereto irrevocably entrusted to Mr. Tianhua Wu.

4. Represents 97,611,722 Class B Ordinary Shares held by Sky Fintech Holding Limited, which are beneficially owned by Mr. Tianhua Wu through Tiger Family Trust. Sky Fintech Holding Limited is indirectly wholly-owned by Lightspeed Rise Holdings Limited, a BVI company, through its wholly-owned subsidiary, Sky Tiger Investment Holding Limited, a BVI company. Lightspeed Rise Holdings Limited is controlled by Tiger Family Trust, a trust established under the laws of Hong Kong and managed by Kastle Limited as the trustee. Mr. Tianhua Wu is the settlor of the Tiger Family Trust and Mr. Tianhua Wu and his family are the trust's beneficiaries. Under the terms of this trust, Mr. Tianhua Wu has the power to direct the trustee with respect to the retention or disposal of, and the exercise of any voting and other rights attached to, the shares held by Sky Fintech Holding Limited in our company.

5. On September 6, 2023, Mr. Tianhua Wu filed with the SEC a Form 144 (SEC File Number: 001-38833) in accordance with Rule 144 under the Securities Act of 1933, as amended. The filing disclosed Mr. Tianhua Wu's intention to sell up to 10 million ADSs under a plan intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) under the Securities Exchange Act of 1934, as amended. Subsequently, on September 7, 2023, a Form 6-K was furnished to provide additional clarification regarding the aforementioned Form 144 filing pertaining to the proposed sale of securities. The Form 144 pertained to the total number of 10 million ADSs associated with TIGR call options proposed for sale under Mr. Wu's Rule 10b5-1 plan. As of March 31, 2025, 42,577 call option contracts were exercised resulted in the sale of 4,257,700 ADSs and 30,000 put option contracts were exercised resulted in the purchase of 3,000,000 ADSs.

We have a dual-class share structure. Our outstanding ordinary shares consist of Class A ordinary shares and Class B ordinary shares, and Mr. Tianhua Wu and his family beneficially own all of our issued Class B ordinary shares through Sky Fintech Holding Limited, of which he is the director, and Mr. Wu, with the voting rights entrusted to him under the 2018 and 2019 Performance Incentive Plan, is able to exercise 49.60% of the aggregate voting power of our total issued and outstanding share capital. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and is not convertible into Class B ordinary share under any circumstance. Each Class B ordinary share is entitled to 20 votes and will be automatically convert into one Class A ordinary share under certain circumstances. Our dual-class ordinary share structure involves certain risks. See "Item 3.D. Risk Factors" of this Annual Report on Form 20-F for more information about risks associated with our dual-class share structure.

For a description of arrangements for involving employees in the capital of the Company, see Item 6.B.

**F**. ***Disclosure of a registrant's action to recover erroneously awarded compensation.***

Not applicable.

**Item 7. Major Shareholders and Related Party Transactions**

***A. Major Shareholders***

See "Item 6.E Directors, Senior Management and Employees-Share Ownership."

***B. Related Party Transactions***

**Contractual Arrangements with the VIEs and Their Respective Shareholders**

PRC law currently limits foreign equity ownership of companies that provide Internet services and related businesses. To comply with these foreign ownership restrictions, we operate our business in China through a series of contractual arrangements with Beijing Rongke and Beijing Yiyi, and their respective shareholders. For a description of these contractual arrangements, see Item 4 "Information on the Company."

**Employment Agreements**

We have entered into employment agreements with each of our executive officers. The initial term of these employment agreements will be until the next shareholders meeting, unless terminated earlier pursuant to the provisions thereof, and these agreements will be automatically extended for successive periods of 12 months each subject to the provisions thereof. We may terminate employment for cause, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, or a continued failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon 60-day prior written notice. In such case of termination by us, we will provide severance payments and other compensation to the executive officer as expressly required by applicable laws and these employment agreements. The executive officer may resign at any time with a 60-day prior written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our customers or prospective customers, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, customers, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

**Share Incentive Plan**

See Item 6.B "Compensation - Compensation of Directors and Executive Officers."

**Other Transactions with Related Parties**

*Transactions with Alphalion Technology Holding Limited and its affiliates ("Alphalion Group")*

In February of 2019, we and our affiliates entered into a series of agreements with respective parties regarding the investment in Alphalion Technology Holding Limited. Under the agreements, we and our affiliates agreed to convert a total of US$3.1 million short-term interest-free loans to Alphalion Group Limited and Bluesea Fintech LLC into 25% equity interest of their parent company, Alphalion Technology Holding Limited. The conversion was consummated on February 22, 2019. The investment was classified as long-term investment. See Note 6 to our audited consolidated financial statements for the more information of this investment in Alphalion Technology Holding Limited.

On November 6, 2020, Beijing Yixin Xiangshang Technology Co.,LTD entered a technical service agreement with Guangzhou Chenhao Technology Co., Ltd an entity which is 100% owned by Alphalion Technology Holding Limited in relation to the ESOP management business in the ordinary course of business.

On March 8, 2021, our subsidiary Tiger Brokers (Singapore) PTE Ltd entered into a Packaged Services Agreement with Alphalion Technology Limited controlled by Alphalion Technology Holding Limited. Under this agreement, Alphalion Technology Limited provided middle office system and license to Tiger Brokers (Singapore) PTE Ltd. As of December 31, 2024, the amount due from Alphalion Group regarding prepaid IT service fee and together with the short-term interest-free loans of previous year, total amount due from Alphalion Group was US$0.9 million. By the year end of 2024, IT service fee paid to Alphalion Group was US$0.12 million.

*Transactions with Directors and Executive Officers*

We provided brokerage services to our directors and executive officers. These services are provided in the ordinary course of business and are made on substantially similar terms as those prevailing at the same time for comparable transactions with unaffiliated persons. Amounts due from related parties in the consolidated balance sheets as of December 31, 2024, were receivable from such directors and executive officers and amounted to US$15.8 million. Amounts due to directors and executive officers amounted to US$0.9 million at the end of December 31, 2024. Revenue earned by providing brokerage services and margin loans to such directors and executive officers amounted to US$1.4 million for the year ended 2024.

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

Not applicable.

**Item 8. Financial Information**

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

See “Item 18. Financial Statements” for the Company’s Consolidated Financial Statements including the Notes thereto and reports of its independent registered accounting firms. The Company has not yet implemented a formal policy on dividend distributions.

***B. Significant Changes***

No significant changes except as disclosed in this annual report else have occurred since December 31, 2024, the date of the financial statements included in this annual report on Form 20-F.

**Item 9. The Offer and Listing**

***A.4. Offer and Listing Details***

The Company’s American Depositary Shares, each representing 15 Class A Ordinary Shares, are listed on the Nasdaq Global Select Market under the symbol “TIGR.”

***C. Markets***

The Company's American Depositary Shares, each representing 15 Class A Ordinary Shares, are listed on the Nasdaq Global Select Market under the symbol "TIGR."

**Item 10. Additional Information**

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

We are a Cayman Islands Company, registration number 331967, and our affairs are governed by our memorandum and articles of association and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, or the Companies Law, and the common law of the Cayman Islands.

*Objects of Our Company.* Under our fourth amended and restated memorandum of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

*General Meetings of Shareholders.* As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our fourth amended and restated articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board of directors or a majority of our board of directors. Advance notice of at least ten (10) calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

Neither the Companies Law nor our fourth amended and restated articles of association provide shareholders with rights to requisition a general meeting or the right to put any proposal before a general meeting.

*Directors*

A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract, or arrangement in which he or she is materially interested. A director may exercise all the powers of our company to borrow money, mortgage its business, property and uncalled capital and issue debentures or other securities whenever money is borrowed or as security for any obligation of our company or of any third party.

Certain other information called for by this Item 10.B is provided in Exhibit 2.1, which is filed as an exhibit to this annual report on Form 20-F.

***C. Material Contracts***

**VIE-related Agreements**

For a description of agreements related to VIEs, please see "Item 3. Key Information – Contractual Arrangements with the VIEs and Their Respective Shareholders."

**Related Party Agreements**

For a discussion of the Company's related party transactions, please see Item 7.B "Related Party Transactions" and "Notes to the Consolidated Financial Statements – 16. Related Party Balances and Transactions."

**Compensation Arrangements**

For a description of compensation arrangements with the Company's directors and executive officers, please see Item 6.B "Compensation – Employment Agreements – Recent Developments."

**Financing**

For a description of the Company's outstanding financing agreements, please see section Item 4. "Information on the Company – A. History and Development of the Company."

***D. Exchange Controls***

There are no exchange control regulations or currency restrictions in the Cayman Islands, or any provision of the Articles, which would prevent the transfer of capital or remittance of dividends, interest, and other payments to holders of the Company's securities who are not residents of the Cayman Islands on a general basis.

***E. Taxation***

The following summary of the material Cayman Islands and U.S. federal income tax consequences of an investment in our ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or Class A ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands and the United States.

**Cayman Islands Taxation**

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax, estate duty or withholding tax applicable to us or to any holder of our ADSs and ordinary shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is a party to a double tax treaty entered with the United Kingdom in 2010 but is otherwise not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Law (2011 revision) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Council:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on our shares, debentures or other obligations.

The undertaking for us is for a period of 30 years from November 19, 2018.

**Material United States Federal Income Taxation**

The following are material U.S. federal income tax consequences to the U.S. Holders described below of the ownership and disposition of our ADSs or Class A ordinary shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire the ADSs or Class A ordinary shares.

This discussion applies to you only if you are a U.S. Holder, you acquire our ADSs in this offering and you hold the ADSs or underlying Class A ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of your particular circumstances, including any minimum tax or Medicare contribution tax considerations, or consequences applicable to you if you are a type of U.S. Holder subject to special rules, such as:

- a financial institution;
- an insurance company;
- a regulated investment company;
- a dealer or electing trader in securities that uses a mark-to-market method of tax accounting;
- a person that holds our ADSs or Class A ordinary shares as part of a straddle, integrated or similar transaction;
- a person whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- an S-corporation or an entity classified as a partnership for U.S. federal income tax purposes or a person holding the ADSs or Class A ordinary shares through such corporation or entity;
- a U.S. expatriate;
- a tax-exempt entity, "individual retirement account" or a "Roth IRA;"
- a person that owns or is deemed to own our ADSs or Class A ordinary shares representing 10% or more of our stock by vote or value; or
- a person that holds our ADSs or Class A ordinary shares in connection with a trade or business outside the United States.

If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) owns our ADSs or Class A ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partnership that intends to own ADSs or Class A ordinary shares or a partner therein you should consult your tax adviser as to your particular U.S. federal income tax consequences of owning and disposing of our ADSs or Class A ordinary shares.

This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and the PRC, or the Treaty, all as of the date hereof, any of which is subject to change, possibly with retroactive effect. No ruling has been obtained or will be requested from the Internal Revenue Service, or the IRS, with respect to any of the U.S. federal income tax consequences described below, and as a result, there can be no assurance that the IRS will not disagree or challenge any of the statements provided below. This discussion assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms.

As used herein, a "U.S. Holder" is a person that is, for U.S. federal income tax purposes, a beneficial owner of the ADSs or Class A ordinary shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, if you own our ADSs you will be treated as the owner of the underlying Class A ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if you exchange your ADSs for the underlying Class A ordinary shares represented by those ADSs.

This discussion does not address the effects of any state, local or non-U.S. tax laws, or any U.S. federal taxes other than income taxes (such as U.S. federal estate or gift tax consequences). You should consult your tax adviser concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our ADSs or Class A ordinary shares in your particular circumstances.

***Passive Foreign Investment Company Rules***

In general, a non-U.S. corporation is a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes for any taxable year in which (i) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income, or (ii) 75% or more of its gross income consists of passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest (and income equivalent to interest), investment gains and certain rents and royalties. Cash is generally a passive asset for these purposes. The value of goodwill and other intangibles is generally treated as an active asset to the extent attributable to business activities that produce active income.

Our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time and therefore may change from year to year. Our annual PFIC status is subject to significant uncertainties. For example, because we hold, and will continue to hold after this offering, a substantial amount of cash and cash equivalents, our annual PFIC status will depend in part on the value of our goodwill and other intangible assets for the relevant taxable year. The value of our goodwill and other intangible assets may be determined, in part, by reference to our market capitalization, which has been, and may continue to be, volatile. If the value of our goodwill and other intangible assets is so determined, our annual PFIC status will be affected by fluctuations of our market capitalization. In addition, the extent to which our goodwill and other intangible assets should be treated as active is not entirely clear, and we may be a PFIC if a significant portion of our goodwill and other intangible assets is treated as passive. Furthermore, it is not entirely clear whether certain items of our assets and liabilities shown on our balance sheet should be disregarded for purposes of the PFIC rules. For example, it is not entirely clear whether portions of the cash and other assets reflected on our balance sheet should be excluded from the value of our assets to the extent they are held for, or attributable to, our customers and are treated as our customers' assets for certain local law purposes ("customers' assets"). We believe it is reasonable to treat such customers' assets as not forming part of our assets for PFIC purposes, but there can be no assurance that the Internal Revenue Service, or the IRS, will not successfully challenge this position, in which case we will likely be a PFIC. The extent to which certain of such customers' assets (and corresponding liabilities) should be so disregarded for purposes of the PFIC rules is also not entirely clear. In addition, it is not entirely clear how the contractual arrangements between us and our VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if our VIEs are not treated as owned by us for these purposes. While we believe it is reasonable to determine that we are not a PFIC for 2024, there can be no assurance regarding our PFIC status because the PFIC determination is highly factual. For these reasons, there is a substantial risk we are a PFIC for 2024 and will be a PFIC in future taxable years.

If we are a PFIC for any taxable year and any entity in which we own or are deemed to own equity interests (including our subsidiaries and VIEs) is also a PFIC (any such entity, a "Lower-tier PFIC"), you will be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the next paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if you held such shares directly, even though the you will not receive any proceeds of those distributions or dispositions.

In general, if we are a PFIC for any taxable year during which you own our ADSs or Class A ordinary shares, gain recognized by you on a sale or other disposition (including certain pledges) of your ADSs or Class A ordinary shares

will be allocated ratably over your holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before we became a PFIC will be taxed as ordinary income in the year of such sale or disposition. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge will be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by you in any taxable year on your ADSs or Class A ordinary shares exceed 125% of the average of the annual distributions on the ADSs or Class A ordinary shares received during the preceding three years or your holding period, whichever is shorter, such distributions will be subject to taxation in the same manner. If we are a PFIC for any taxable year during which you own ADSs or Class A ordinary shares, we will generally continue to be treated as a PFIC with respect to you for all succeeding years during which you own the ADSs or Class A ordinary shares, even if we cease to meet the threshold requirements for PFIC status, unless you make a timely "deemed sale" election, in which case any gain on the deemed sale will be taxed under the PFIC rules described above.

Alternatively, if we are a PFIC and if the ADSs are "regularly traded" on a "qualified exchange" (as defined in applicable U.S. Treasury regulations), you may be able to make a mark-to-market election with respect to our ADSs that will result in tax treatment different from the general tax treatment for PFICs described in the preceding paragraph. The ADSs will be treated as regularly traded for any calendar year in which more than a *de minimis* quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter. The Nasdaq Global Select Market, where the ADSs are listed, is a qualified exchange for this purpose. If you are a U.S. Holder of ADSs and make the mark-to-market election, generally you will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis. Generally, you will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year, but only to the extent of the net amount of income previously included as a result of the mark-to-market election. If you make the election, your tax basis in the ADSs will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of ADSs in a taxable year in which we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess treated as capital loss). If you make the mark-to-market election, distributions paid on ADSs will be treated as discussed under "*—Taxation of Distributions*" below (but subject to the discussion in the following paragraph). Once made, the election will remain in effect for all taxable years in which we are a PFIC, unless it is revoked with the IRS's consent, or the ADSs cease to be regularly traded on a qualified exchange. There is no provision of law or official guidance that provides for a right to make a mark-to-market election with respect to any Lower-tier PFIC unless the shares of such Lower-tier PFIC are themselves "marketable." As a result, even if you make a mark-to-market election with respect to our ADSs, you could be subject to the PFIC rules described in the preceding paragraph with respect to your indirect interest in any Lower-tier PFIC. You should consult your tax adviser regarding the availability and advisability of making a mark-to-market election in your particular circumstances if we are a PFIC for any taxable year.

If we are a PFIC (or are treated as a PFIC with respect to you) for any taxable year in which we pay a dividend or the preceding taxable year, the favorable tax rate with respect to dividends paid to certain non-corporate U.S. Holders (as described below in "*—Taxation of Distributions*") will not apply.

We do not intend to provide information necessary to make qualified electing fund elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If we are a PFIC for any taxable year during which you own ADSs or Class A ordinary shares, you will generally be required to file annual reports with the IRS. You should consult your tax adviser regarding our PFIC status for any taxable year and the potential application of the PFIC rules to your ownership of ADSs or Class A ordinary shares.

***Taxation of Distributions***

The following discussion is subject to the discussion under "*—Passive Foreign Investment Company Rules*" above.

Distributions (if any) paid on our ADSs or Class A ordinary shares, other than certain *pro rata* distributions of ADSs or Class A ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported

to you as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable holding period and other requirements, and provided that we are not a PFIC (and are not treated as a PFIC with respect to you) for our taxable year in which the dividend is paid or the preceding taxable year, dividends paid to certain non-corporate U.S. Holders of ADSs may be taxable at a favorable rate. Because of the uncertainty regarding our PFIC status, this favorable rate may not be available to you. If you are a non-corporate U.S. Holder of ADSs you should consult your tax adviser regarding the availability of this favorable tax rate on dividends (and any applicable limitations) generally and in your particular circumstances.

Dividends generally will be included in your income on the date of receipt by you (if you hold Class A ordinary shares) or the depositary (if you hold ADSs). The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the amount received. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be treated as foreign-source income for foreign tax credit purposes. As described above, dividends paid by us may be subject to PRC withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include any amounts withheld in respect of PRC withholding tax. Subject to applicable limitations, which vary depending upon your circumstances, and the discussion below regarding certain Treasury regulations, PRC taxes withheld from dividend payments (at a rate not exceeding any rate applicable under the Treaty if you are eligible for Treaty benefits) generally will be creditable against your U.S. federal income tax liability. The rules governing foreign tax credits are complex and their application may depend on your particular facts and circumstances. Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for non-U.S. income taxes to be creditable, the relevant non-U.S. income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the PRC income tax system meets this requirement. The IRS released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). You should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. In lieu of claiming a credit, you may be able to elect to deduct any PRC taxes in computing your taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all otherwise creditable foreign taxes paid or accrued in the relevant taxable year.

***Sale or Other Taxable Disposition of ADSs or Class A ordinary shares***

The following discussion is subject to the discussion under "*—Passive Foreign Investment Company Rules*" above.

You will generally recognize capital gain or loss on a sale or other taxable disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized on the sale or disposition and your tax basis in the ADSs or Class A ordinary shares disposed of, in each case as determined in U.S. dollars. The gain or loss will be long-term capital gain or loss if at the time of the sale or disposition you have owned the ADSs or Class A ordinary shares for more than one year. If you are a non-corporate U.S. Holder, any long-term capital gain recognized by you will generally be subject to tax rates that are lower than those applicable to ordinary income. The deductibility of capital losses is subject to limitations.

As described above, gains on the sale of ADSs or Class A ordinary shares may be subject to PRC taxes. You are entitled to use foreign tax credits to offset only the portion of your U.S. federal income tax liability that is attributable to foreign-source income. Under the Code capital gains of U.S. persons are generally treated as U.S.-source income. However, if you are eligible for the benefits of the Treaty, you may be able to elect to treat gains taxable under PRC law as PRC-source and claim foreign tax credits in respect of PRC taxes on those gains. Treasury regulations generally preclude you from claiming a foreign tax credit with respect to PRC income taxes imposed on gains from dispositions of ADSs or Class A ordinary shares unless you are eligible for Treaty benefits and elect to apply them. As discussed above under "*— Taxation of Distributions*," the IRS released notices that provide relief from certain of the provisions of the Treasury regulations described above (including the limitation described in the preceding sentence) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). However, other limitations under the foreign tax credit

rules may preclude you from claiming a foreign tax credit with respect to PRC income taxes on disposition gains. If you are precluded from claiming a foreign tax credit, it is possible that any PRC income taxes on disposition gains may either be deductible or reduce the amount realized on the disposition. You should consult your tax adviser regarding the consequences to you of the imposition of any PRC tax on disposition gains, including the Treaty's resourcing rule, any reporting requirements with respect to a Treaty-based return position and the creditability or deductibility of any PRC tax on disposition gains in your particular circumstances (including any applicable limitations).

***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) you are a corporation or other "exempt recipient" (and establish that status if required to do so) and (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

If you are an individual or one of certain specified entities, you may be required to report information relating to your ownership of ADSs or Class A ordinary shares, or non-U.S. accounts through which your ADSs or Class A ordinary shares are held. You should consult your tax adviser regarding your reporting obligations with respect to ADSs and Class A ordinary shares.

PROSPECTIVE INVESTORS IN OUR ADSS OR CLASS A ORDINARY SHARES SHOULD CONSULT WITH THEIR TAX ADVISER REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES RESULTING FROM OWNING OR DISPOSING OUR ADSS OR CLASS A ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF THE TAX LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION, INCOME TAX TREATIES AND INCLUDING ESTATE, GIFT AND INHERITANCE LAWS.

***F. Dividends and Paying Agents***

Not applicable.

***G. Statements by Experts***

Not applicable

***H. Documents on Display***

The Company files reports, including annual reports on Form 20-F, furnishes current reports on Form 6-K and discloses other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. These may be accessed by visiting the SEC's website at www.sec.gov.

***I. Subsidiary Information***

Not applicable.

***J. Annual Report to Security Holders***

Not applicable.

**Item 11. Quantitative and Qualitative Disclosures About Market Risk**

The Company's activities expose it to a variety of market risks including interest rate risk and foreign currency exchange rate risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its performance through ongoing operational and finance activities. The Company monitors and manages its exposure to such risks both centrally and at the local level, as appropriate, as part of its overall risk management program with the objective of seeking to reduce the potential adverse effects of such risks on its results of operations and financial position.

The following section provides qualitative and quantitative disclosures on the effects that these risks may have. The quantitative data reported below, if any, does not have any predictive value and does not reflect the complexity of the markets or reactions which may result from any changes that are assumed to have taken place.

***Foreign Exchange Risk***

While most of our revenues are denominated in U.S. dollars and Hong Kong dollars and our expenses are denominated in Renminbi and U.S. dollars, the Company has not used any derivative financial instruments to hedge exposure to such risk as our exposure to foreign exchange risks should be limited in general per management's assessment. Our results of operations and financial condition will be affected by the exchange rate between U.S. dollar and Hong Kong dollar as well as between U.S. dollar and Renminbi because a substantial portion of our operating costs and expenses is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars. We may seek to reduce the currency risk by entering foreign currency instruments in the future. Currently we did not hold any currency hedging instruments position as of December 31, 2023 and 2024 due to immaterial impact on our daily operation and financials, whilst the Company has been monitoring the exchange rates which may affect our business and financials and will take necessary actions to mediate foreign exchange risks. See Item 3.D "Risk Factors."

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. In July 2005, the PRC government changed its decades-old policy of pegging the value of Renminbi to U.S. dollar, and Renminbi appreciated more than 20% against U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between Renminbi and U.S. dollar remained within a narrow band. Since June 2010, Renminbi has fluctuated against U.S. dollar, at times significantly and unpredictably. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and U.S. dollar in the future.

To the extent that we need to convert U.S. dollar into Renminbi for our operations, appreciation of Renminbi against U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollar for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of U.S. dollar against Renminbi would have a negative effect on U.S. dollar amounts available to us.

***Interest Rate Risk***

We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

We expect rising or falling interest rates may have a material impact on our financial condition unless uncertainty about the direction and timing of interest rate changes materially affects the level of borrowing and lending activity in the economy.

We may invest in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

***Credit Risk***

Margin financing is subject to various regulatory requirements. Margin loans are collateralized by cash and securities in the customers' accounts. The risks associated with margin credit increase during periods of fast market movements or in cases where collateral is concentrated and market movements occur. During such times, customers who utilize margin loans and who have collateralized their obligations with securities may find that the securities have a rapidly depreciating value and may not be sufficient to cover their obligations in the event of liquidation. We are also exposed to credit risk when our customers execute transactions, such as short sales of options and equities that can expose them to risk beyond their invested capital.

We expect this kind of exposure to increase with the growth of our overall business. Because we indemnify and hold harmless our clearing firms from certain liabilities or claims, the use of margin loans and short sales may expose us to significant off-balance-sheet risk in the event that collateral requirements are not sufficient to fully cover losses that customers may incur and those customers fail to satisfy their obligations. The amount of risk to which we are exposed from the margin financing to our customers and from short-selling transactions by our customers is not quantifiable as the risk is dependent upon analysis of a potential significant and undeterminable rise or fall in stock prices. As a matter of practice, we enforce real-time margin compliance monitoring and liquidate customers' positions if their equity falls below required margin requirements.

We have a comprehensive policy implemented in accordance with regulatory standards to assess and monitor the suitability of investors to engage in the trading activities that we offer. To mitigate our risk, we also continuously monitor customer accounts to detect excessive concentration, large orders or positions, patterns of day trading, high frequency trading, inactive accounts, trading that has no economic purpose, trading in illiquid securities and other activities that indicate increased risk to us.

Our credit exposure is to a great extent mitigated by our policy of automatically evaluating each account throughout the trading day and closing out positions automatically or disabling further trading for accounts that are found to be under-margined. While this methodology is effective in most situations, it may not be effective in situations where no liquid market exists for the relevant securities or commodities or where, for any reason, automatic liquidation for certain accounts has been disabled.

**Item 12. Description of Securities Other than Equity Securities**

***A. Debt Securities***

Not applicable.

***B. Warrants and Rights***

Not applicable.

***C. Other Securities***

Not applicable.

***D. American Depositary Shares***

**ADS Fees and Expenses**

ADS holders are required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any ADSs):

| Service | Fees |
|---|---|
| • To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash) | Up to US$0.05 per ADS issued |
| • Cancellation of ADSs, including the case of termination of the deposit agreement | Up to US$0.05 per ADS cancelled |
| • Distribution of cash dividends | Up to US$0.05 per ADS held |
| • Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements | Up to US$0.05 per ADS held |
| • Distribution of ADSs pursuant to exercise of rights | Up to US$0.05 per ADS held |
| • Distribution of securities other than ADSs or rights to purchase additional ADSs | Up to US$0.05 per ADS held |
| • Depositary services | Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank |

ADS holders are also responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

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

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding

ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

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

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

## PART II

### Item 13. Defaults, Dividends, Arrearages, and Delinquencies

None of these events occurred in any of the years ended December 31, 2022, 2023 and 2024.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

### Item 15. Controls and Procedures

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

Our management, under the supervision and with the participation of our chief executive officer and chief financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures, which is defined in Rule 13a-15(e) of the Exchange Act, as of December 31, 2024. Based upon that evaluation, our management, with the participation of our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective in ensuring 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 the SEC's rule and forms and that such 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 principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act). Our management evaluated the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2024.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

***Attestation Report of the Independent Registered Public Accounting Firm***

KPMG Huazhen LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2024 as stated in its report, which appears on page F-3 of this annual report on Form 20-F.

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

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

### Item 16A. Audit Committee Financial Expert

The Company's Board of Directors has determined that Mr. Chia Hung Yang, the chairman of our audit committee, is an audit committee financial expert. He is an independent director under the Nasdaq standards.

**Item 16B. Code of Ethics**

The Company has adopted a Code of Business Conduct and Ethics which is applicable to all of its directors, officers and employees, including certain portions of the Code of Business Conduct and Ethics which are only applicable to the Company's chief executive officer, chief financial officer, other chief senior officers, senior finance officer, controller, vice presidents and any other persons who perform similar functions (defined in the Code of Business Conduct and Ethics as "senior officers"). This Code of Business Conduct and Ethics is posted on its website, www.itiger.com. The information contained on the Company's website is not included in, or incorporated by reference into, this annual report on Form 20-F.

**Item 16C. Principal Accountant Fees and Services**

The following table sets forth the aggregate fees by the categories specified below in connection with certain professional services rendered by KPMG Huazhen LLP and KPMG member firm for the years indicated. We did not pay any other fees to our auditors during the years indicated below.

| | For the years ended December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ 000 | US$ 000 |
| Audit Fees [1] | 2,266 | 2,798 |
| Tax Fees [2] | 26 | 95 |
| Audit-Related Fees [3] | — | — |
| All Other Fees [4] | — | — |
| | **2,292** | **2,893** |

(1) Audit Fees represent the aggregate fees billed for professional services rendered by KPMG Huazhen LLP and KPMG member firm for the audit of our annual financial statements, the review and agreed-upon procedures of our quarterly financial statements.

(2) Tax Fees represent the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditor for tax compliance and tax advice.

(3) Audit-Related Fees are fees billed in each of the fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements and are not reported under "Audit Fees."

(4) All Other Fees are fees billed in each of the fiscal years for products and services provided by the principal accountant, other than the services reported under the other three line items.

**Audit Committee's Pre-Approval Policies and Procedures**

The Company's Audit Committee is responsible for appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors. All of the audit fees and non-audit fees paid with respect to 2024 were approved by the Audit Committee.

**Item 16D. Exemptions from the Listing Standards for Audit Committees**

None.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Not applicable.

**Item 16F. Change in Registrant's Certifying Accountant**

Not applicable.

**Item 16G. Corporate Governance**

As a foreign private issuer whose Class A ordinary shares and ADSs are listed on the Nasdaq Global Select Market, we are permitted to follow certain home country corporate governance practices instead of certain Nasdaq requirements. A foreign private issuer that elects to follow its home country practice must submit to The Nasdaq Stock Market LLC a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. In addition, a foreign private issuer must disclose in its annual reports filed with the SEC each Nasdaq requirement with which it does not comply followed by a description of its applicable home country practice.

As a company incorporated in the Cayman Islands with Class A ordinary shares and ADSs to be listed on the Nasdaq Global Select Market, we chose to follow our home country practice instead of Nasdaq requirements that mandate that:

- the board of directors be comprised of a majority of independent directors;
- the directors be selected or nominated by a majority of the independent directors or a nomination committee comprised solely of independent directors;
- the board of directors adopt a formal written charter or board resolution addressing the director nominations process and such related matters as may be required under the U.S. federal securities laws;
- the compensation of our executive officers be determined or recommended by a compensation committee comprised solely of independent directors; and
- shareholder approval be required prior to the issuance of securities when a stock option or other equity compensation arrangement is established or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants.

**Item 16H. Mine Safety Disclosure**

Not applicable.

**Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable. For further information, see Item 3. Key Information and Item 3.D "Risk Factors – The audit report included in this annual report has been prepared by our independent registered public accounting firm, whose work the Public Company Accounting Oversight Board was previously unable to inspect and, as such, you have previously been deprived of the benefits of such inspection and may be deprived of such benefits in the future if the work of our independent registered public accounting firm is unable to be inspected again."

**Item 16J. Insider Trading Policies**

We have adopted insider trading policies and procedures governing the purchase, sale and other dispositions of our securities, by directors, senior managers and employees of our company that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations and any listing rules applicable to us. Copies of our Inside and Confidential Information Management Policy and our Employee Trading Management Policy are filed as Exhibits 11.2 and 11.3 to this annual report on Form 20-F.

**Item 16K. Cybersecurity**

Our management and Board recognize the critical importance that a robust cybersecurity program and processes play in maintaining the integrity of our information technology networks and systems, which we rely upon to securely process, transmit and store electronic information and to communicate among our locations and with our customers and partners.

We identify and address information security risks by employing a defense-in-depth methodology that provides multiple, redundant defensive measures in case a security control fails or a vulnerability is exploited. Our policies include procedures for handling urgent problems, accident classification standards, and internal audit standards for information security. We have passed Information Security Management Systems (ISMS) certifications such as ISO27001 and ISO27701, and we follow these and other international standards to assess, identify and manage cybersecurity threats.

In addition to our internal resources, we also leverage external resources to mitigate cybersecurity threats to the Company, including partnering with third parties to conduct penetration testing, attack and defense exercises; perform annual audits and certifications of our cybersecurity and information technology processes and performance; and supply us with defensive tools.

We have processes in place to oversee and identify risks that may arise from cybersecurity threats associated with our use of third-party service providers, including contract review procedures that apply to third party vendors handling or having access to company information. Our security team conducts additional cybersecurity due diligence on certain vendors involved in customer data sharing.

Oversight of cybersecurity risk is integrated into our overall enterprise risk management framework.

At the management level, our Chief Information Officer (“CIO”) oversees our cybersecurity program and risks, with more than 15 years of experience in the online advertising and fintech industry, including significant engineering experience and responsibility for building trading systems, anti-fraud systems, and risk management systems. Our CIO holds a M.S. degree in Computer Science from Institute of Software, Chinese Academy of Sciences, and a B.S. degree from Huazhong University of Science and Technology.

Our CIO oversees our research and development (“R&D”) department, which is responsible for detecting, identifying, monitoring, and remediating IT and cybersecurity risks. The security team within the R&D department prepares and disseminates to vice presidents, team leaders and licensed entity team leaders a security monthly report regarding our security posture, critical business security metrics, security incidents, security audits, and other security-related matters.

At the Board level, cybersecurity risk oversight has been delegated to our Operation Committee, which is a sub-committee of the Board of Directors composed of our non-independent directors. The Operation Committee meets weekly, and our CIO reports to the Operation Committee in the event any significant risks or incidents have been identified. In addition, the Operations Committee has an online working group where the CIO will promptly report any cybersecurity incidents and risks.

To date, we have not identified any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have, or are likely to, materially affect us, our business strategy, results of operation or financial condition.

## PART III

### Item 17. Financial Statements

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

### Item 18. Financial Statements

The audited Consolidated Financial Statements as required under Item 18 are attached hereto starting on page F-1 of this annual report on Form 20-F.

### Item 19. Exhibits

A list of exhibits included as part of this annual report on Form 20-F is set forth in the Index to Exhibits immediately following this Item 19.

### INDEX TO EXHIBITS

| Exhibit No. | Exhibit Description | Incorporated by Reference to |
|---|---|---|
| 1.1† | Fourth Amended and Restated Memorandum and Articles of Association of the Registrant | Exhibit 3.2 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 2.1† | Description of the registrant's securities registered pursuant to Section 12 of the Exchange Act. | Exhibit 2.1 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 29, 2020 |
| 2.2† | Specimen American Depositary Receipt (contained in Exhibit 2.4) | Exhibit 4.3 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 2.3† | Specimen Form of Class A Ordinary Share Certificate | Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 2.4†† | Form of Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of American Depositary Shares issued thereunder | Exhibit 4.3 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 2.5† | Form of Registration Rights Agreement | Exhibit 4.4 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 3.1† | Form of Irrevocable Voting Proxy by and among holders of options awarded under the 2018 Share Incentive Plan and the 2019 Performance Incentive Plan and Wu Tianhua | Exhibit 3.1 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 29, 2020 |
| 4.1† | English translation of Exclusive Business Cooperation Agreement between Beijing Rongke and Beijing Bohu dated June 7, 2018 | Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |

| | | |
|---|---|---|
| 4.2† | Exclusive Option Contract dated November 1, 2023, among Beijing Bohu, Beijing Rongke and each shareholder of Beijing Rongke, which replaced and superseded the version dated October 11, 2022 | Exhibit 4.2 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 22, 2024 |
| 4.3† | Equity Pledge Contract dated November 1, 2023 among Beijing Bohu, Beijing Rongke and each shareholder of Beijing Rongke, which replaced and superseded the version dated October 11, 2022 | Exhibit 4.2 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 22, 2024 |
| 4.4† | English translation of Powers of Attorney dated November 1, 2023 among Beijing Bohu and each of the shareholders of Beijing Rongke, which replaced and superseded the version dated October 11, 2022 | Exhibit 4.2 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 22, 2024 |
| 4.5† | English translation of the form of Spouse Consent Letter by the spouse of each married shareholder of Beijing Rongke | Exhibit 10.5 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.6† | English translation of Exclusive Business Cooperation Agreement between Beijing Yixin and Beijing Yiyi dated October 30, 2018 | Exhibit 10.6 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.7† | English translation of Exclusive Option Contract among Beijing Yixin, shareholders of Beijing Yiyi and Beijing Yiyi dated October 30, 2018 | Exhibit 10.7 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.8† | English translation of Equity Pledge Contract among Beijing Yixin, shareholders of Beijing Yiyi and Beijing Yiyi dated October 30, 2018 | Exhibit 10.8 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.9† | English translation of the Power of Attorney between Beijing Yixin and shareholders of Beijing Yiyi dated October 30, 2018 | Exhibit 10.9 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.10† | English translation of the form of Spouse Consent Letter by the spouse of each married shareholder of Beijing Yiyi | Exhibit 10.10 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.11† | Form of Employment Agreement between the Registrant and its executive officers | Exhibit 10.11 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.12 | [Reserved] | [Reserved] |
| 4.13† | Consolidated Clearing Agreement between IB LLC and Top Capital Partners Limited | Exhibit 10.13 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |

| | | |
|---|---|---|
| 4.14† | Fully Disclosed Clearing Agreement between IB LLC and Top Capital Partners Limited | Exhibit 10.14 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.15† | Lease Contract for the Singapore office | Filed as Exhibit 4.15 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 26, 2023 |
| 4.16† | Subscription Agreement by and between the Registrant and IB Global Investments LLC dated March 8, 2019 | Exhibit 10.16 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.17† | UP Fintech Holding Limited Share Incentive Plan adopted in June 2018 and amended in December 2018 | Exhibit 10.17 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 4.18† | UP Fintech Holding Limited Amended and Restated 2019 Performance Incentive Plan | Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-259241) filed with the SEC on September 1, 2021 |
| 8.1 | List of principal subsidiaries and consolidated affiliated entities of the Registrant | Filed herewith |
| 11.1† | Code of Business Conduct and Ethics | Exhibit 99.8 to the registration statement on Form F-1 (File No. 333-229808), as amended, initially filed with the SEC on February 22, 2019) |
| 11.2 | Inside and Confidential Information Management Policy | Filed herewith |
| 11.3 | Employee Trading Management Policy | Filed herewith |
| 12.1 | Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer | Filed herewith |
| 12.2 | Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer | Filed herewith |
| 13.1 | Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | Filed herewith |
| 13.2 | Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | Filed herewith |
| 15.1 | Consent of KPMG Huazhen LLP Certified Public Accountants | Filed herewith |

| | | |
|---|---|---|
| 15.2 | Consent of JunHe LLP | Filed herewith |
| 15.3 | The registrant hereby agrees to furnish to the SEC, upon request, copies of instruments defining the rights of holder of long-term debt of the registrant and its consolidated subsidiaries and for any of its unconsolidated subsidiaries for which financial statements are required to the filed. | |
| 97 | UP Fintech Holding Limited Policy on Recoupment of Incentive Compensation | Exhibit 97 to the annual report on Form 20-F (File No. 001-38833) filed with the SEC on April 22, 2024 |
| 101.INS | Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document | |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | |
| 104 | Cover page formatted as Inline XBRL and contained in Exhibit 101 | |

† Previously filed

**SIGNATURE**

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

UP FINTECH HOLDING LIMITED

/s/ Tianhua Wu

Name: Tianhua Wu
Title: Chief Executive Officer and Director

Dated: April 23, 2025

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED December 31, 2022, 2023 and 2024**


| CONTENTS | PAGE(S) |
|---|---|
| REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PCAOB ID 1186) | F-2 |
| CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2024 | F-4 |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 | F-5 |
| CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 | F-7 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 | F-9 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 | F-11 |

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors

UP Fintech Holding Limited:

***Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting***

We have audited the accompanying consolidated balance sheets of UP Fintech Holding Limited and subsidiaries (the Company) as of December 31, 2023 and 2024, the related consolidated statements of comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control Over Financial Reporting***

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Critical Audit Matter***

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

***Realizability of deferred tax assets***

As discussed in Notes 2 and 8 to the consolidated financial statements, the Group's deferred tax assets and valuation allowance were US$32,545,094 and US$21,923,356 respectively, as of December 31, 2024. Deferred tax assets are reduced by a valuation allowance if, in the opinion of management, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The realizability of deferred tax assets requires significant judgment associated with evaluation of past and projected financial performance which incorporates projections of future taxable income, including certain forecasted revenues and expenses, by tax-paying component.

We identified the evaluation of the realizability of deferred tax assets as a critical audit matter. A high degree of subjective auditor judgment was required in assessing the Group's forecasted revenue, operating cost and expenses by tax-paying component which are the key assumptions in estimating future taxable income over the period in which deferred tax assets will be realized. Such key assumptions are sensitive to variation, such that minor changes could have an impact on the Group's evaluation of the realizability of the deferred tax assets.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Group's process for evaluating the realizability of deferred tax assets, including controls related to the development of assumptions in estimating future taxable income. We assessed the Group's estimate of future taxable income by tax-paying component, including certain forecasted revenue and operating cost and expenses by comparing them to historical results. We compared the historical forecasts of taxable income to actual results to assess the Group's ability to accurately forecast. We also performed sensitivity analysis over the assumptions related to the forecasted revenue, operating cost and expenses by tax-paying component to assess the impact of changes in those assumptions on the realizability assessment. We involved income tax professionals with specialized skills and knowledge, who assisted in assessing the Group's interpretation and application of the relevant tax laws and regulations used to calculate future taxable income.

/s/ KPMG Huazhen LLP

We have served as the Company's auditor since 2020.

Beijing, China

April 23, 2025

# UP FINTECH HOLDING LIMITED
## CONSOLIDATED BALANCE SHEETS
### (All amounts in US$, except for share, per share data, or otherwise noted)

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| **Assets:** | | |
| Cash and cash equivalents | 322,599,616 | 393,576,874 |
| Cash-segregated for regulatory purpose | 1,617,154,185 | 2,464,683,625 |
| Term deposits | 896,683 | 1,075,260 |
| Receivables from customers (net of allowance of US$991,286 and US$15,284,002 as of December 31, 2023 and 2024) | 753,361,199 | 1,052,972,649 |
| Receivables from brokers, dealers, and clearing organizations (net of allowance of nil as of December 31, 2023 and 2024) | 541,876,929 | 2,305,740,507 |
| Financial instruments held, at fair value | 428,159,554 | 75,547,082 |
| Prepaid expenses and other current assets | 17,936,180 | 17,629,819 |
| Amounts due from related parties | 7,987,756 | 16,720,671 |
| **Total current assets** | **3,689,972,102** | **6,327,946,487** |
| Long-term deposits | 4,225,412 | 1,369,994 |
| Right-of-use assets | 9,067,885 | 10,880,673 |
| Property, equipment and intangible assets, net | 16,429,543 | 15,358,528 |
| Goodwill | 2,492,668 | 2,492,668 |
| Long-term investments | 7,586,483 | 7,658,809 |
| Equity method investment | — | 10,203,622 |
| Other non-current assets | 5,282,012 | 6,828,553 |
| Deferred tax assets | 10,990,998 | 8,573,135 |
| **Total assets** | **3,746,047,103** | **6,391,312,469** |
| **Liabilities:** | | |
| Payables to customers | 2,913,306,558 | 3,574,651,125 |
| Payables to brokers, dealers and clearing organizations | 114,771,931 | 1,914,769,701 |
| Accrued expenses and other current liabilities (including accrued expenses and other current liabilities of the consolidated VIEs without recourse to the Group of US$10,223,751 and US$10,624,181 as of December 31, 2023 and 2024, respectively) | 42,381,946 | 67,263,254 |
| Deferred income – current | 819,809 | — |
| Lease liabilities – current (including lease liabilities – current of the consolidated VIEs without recourse to the Group of US$734,591 and US$969,176 as of December 31,2023 and 2024, respectively) | 4,133,883 | 4,153,928 |
| Amount due to related parties | 10,148,142 | 874,331 |
| **Total current liabilities** | **3,085,562,269** | **5,561,712,339** |
| Convertible bonds | 156,887,691 | 159,505,397 |
| Lease liabilities – non-current (including lease liabilities – non-current of the consolidated VIEs without recourse to the Group of US72,985 and US$1,292,591 as of December 31, 2023 and 2024, respectively) | 4,777,134 | 5,902,323 |
| Deferred tax liabilities (including deferred tax liabilities of the consolidated VIEs without recourse to the Group of US$1,653 and US$27,247 as of December 31, 2023 and 2024, respectively) | 3,397,831 | 2,068,661 |
| **Total liabilities** | **3,250,624,925** | **5,729,188,720** |
| **Commitments and Contingencies (Note 19)** | | |
| **Mezzanine equity** | | |
| Redeemable non-controlling interests | 6,706,660 | 7,177,668 |
| **Total Mezzanine equity** | **6,706,660** | **7,177,668** |
| **Shareholders' equity:** | | |
| Class A ordinary shares (US$0.00001 par value; 4,662,388,278 shares authorized as of December 31, 2023 and 2024, 2,252,892,845 and 2,542,714,350 shares issued and outstanding as of December 31, 2023 and 2024, respectively) | 22,528 | 25,427 |
| Class B ordinary shares (US$0.00001 par value; 337,611,722 shares authorized as of December 31, 2023 and 2024, 97,611,722 shares issued and outstanding as of December 31, 2023 and 2024) | 976 | 976 |
| Additional paid-in capital | 505,448,080 | 619,030,730 |
| Statutory reserve | 8,511,039 | 12,425,463 |
| (Accumulated deficit) Retained earnings | (19,600,434) | 37,843,547 |
| Treasury stock (10,429,305 shares as of December 31, 2023 and 2024) | (2,172,819) | (2,172,819) |
| Accumulated other comprehensive loss | (3,232,993) | (11,919,310) |
| **Total UP Fintech shareholders' equity** | **488,976,377** | **655,234,014** |
| Non-controlling interests | (260,859) | (287,933) |
| **Total equity** | **488,715,518** | **654,946,081** |
| **Total liabilities, mezzanine equity and equity** | **3,746,047,103** | **6,391,312,469** |

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

**UP FINTECH HOLDING LIMITED**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(All amounts in US$, except for share, per share data, or otherwise noted)**

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| **Revenues**[(a)] | | | |
| Commissions | 108,118,464 | 92,593,458 | 159,045,052 |
| Interest related income | | | |
| Financing service fees | 7,903,057 | 12,178,838 | 11,311,560 |
| Interest income | 85,150,424 | 149,291,006 | 191,754,746 |
| Other revenues | 24,193,602 | 18,444,293 | 29,430,071 |
| **Total revenues** | **225,365,547** | **272,507,595** | **391,541,429** |
| Interest expense[(a)] | (18,668,523) | (46,957,657) | (60,803,516) |
| **Total net revenues** | **206,697,024** | **225,549,938** | **330,737,913** |
| **Operating cost and expenses:** | | | |
| Execution and clearing[(a)] | (15,607,914) | (9,084,089) | (14,651,612) |
| Employee compensation and benefits (including share-based compensation of US$14,213,841, US$10,147,362 and US$9,736,901 for the years ended December 31, 2022, 2023 and 2024, respectively) | (101,749,440) | (100,750,644) | (122,365,537) |
| Occupancy, depreciation and amortization | (9,013,467) | (9,387,056) | (8,554,315) |
| Communication and market data[(a)] | (27,138,244) | (30,831,488) | (38,893,381) |
| Marketing and branding | (33,121,767) | (20,859,834) | (28,530,053) |
| General and administrative | (18,332,557) | (21,791,263) | (39,278,674) |
| **Total operating cost and expenses** | **(204,963,389)** | **(192,704,374)** | **(252,273,572)** |
| **Other income:** | | | |
| Others, net | 298,150 | 13,148,173 | 3,299,308 |
| **Income before income taxes** | **2,031,785** | **45,993,737** | **81,763,649** |
| Income tax expense | (4,288,665) | (12,986,310) | (20,409,721) |
| **Net (loss) income** | **(2,256,880)** | **33,007,427** | **61,353,928** |
| Less: | | | |
| Net loss attributable to non-controlling interests | (129,215) | (98,285) | (4,477) |
| Accretion of redeemable non-controlling interests to redemption value | (58,776) | (542,187) | (630,485) |
| **Net (loss) income attributable to ordinary shareholders of UP Fintech** | **(2,186,441)** | **32,563,525** | **60,727,920** |
| **Net (loss) income per share attributable to ordinary shareholders of UP Fintech:** | | | |
| Basic | (0.000) | 0.014 | 0.025 |
| Diluted | (0.000) | 0.014 | 0.024 |
| **Weighted average shares used in calculating net (loss) income per ordinary share:** | | | |
| Basic | 2,295,154,791 | 2,325,338,439 | 2,404,640,854 |
| Diluted | 2,295,154,791 | 2,427,268,831 | 2,534,097,315 |
| Other comprehensive (loss) income, net of tax: | | | |
| Unrealized (loss) gain on available-for-sale securities (net of tax effect of US$88,563, nil and nil for the years ended December 31, 2022, 2023 and 2024, respectively) | (768,590) | (450,325) | 343,892 |
| Change in cumulative foreign currency translation adjustment | (8,130,208) | (545,498) | (9,022,611) |
| **Total Comprehensive (loss) income** | **(11,155,678)** | **32,011,604** | **52,675,209** |
| Total Comprehensive (loss) income attributable to non-controlling interests | (130,783) | (92,526) | 3,121 |
| Accretion of redeemable non-controlling interests to redemption value | (58,776) | (542,187) | (630,485) |
| **Total Comprehensive (loss) income attributable to ordinary shareholders of UP Fintech** | **(11,083,671)** | **31,561,943** | **52,041,603** |

(a) Includes the following revenues, costs and expenses resulting from transactions with related parties for the years ended December 31, 2022, 2023 and 2024 (Note 16):

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| Commissions | 4,001,833 | 122,113 | 174,250 |
| Interest related income | | | |
| Financing service fees | 1,329,490 | — | — |
| Interest income | 4,795,119 | 1,379,238 | 1,601,526 |
| Other revenues | 1,805,126 | — | — |
| Interest expense | (2,056,556) | — | (372,961) |
| Execution and clearing | (1,751,505) | — | — |
| Communication and market data | (135,117) | (150,360) | (116,150) |

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

**UP FINTECH HOLDING LIMITED**
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**(All amounts in US$, except for share, per share data, or otherwise noted)**
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024**

| | Class A ordinary shares | | Class B ordinary shares | | Treasury stock purchases | | Additional paid in capital |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Amount |
| | | US$ | | US$ | | US$ | US$ |
| **Balance as of January 1, 2022** | **2,059,987,139** | **20,599** | **222,111,722** | **2,221** | **10,429,305** | **(2,172,819)** | **484,335,291** |
| **Adoption of ASU 2020-06** | — | — | — | — | — | — | **(3,167,457)** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | 36,915,928 | 369 | — | — | — | — | 366,168 |
| Class B ordinary shares converted into Class A ordinary shares | 124,500,000 | 1,245 | (124,500,000) | (1,245) | — | — | — |
| Capital contribution from non-controlling interests | — | — | — | — | — | — | 18,391 |
| Share-based compensation | — | — | — | — | — | — | 14,212,067 |
| Provision of statutory reserve | — | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | — | — | — |
| Unrealized loss on available-for-sale securities | — | — | — | — | — | — | — |
| Accretion of redeemable non-controlling interests | — | — | — | — | — | — | (58,776) |
| Net loss | — | — | — | — | — | — | — |
| **Balance as of December 31, 2022** | **2,221,403,067** | **22,213** | **97,611,722** | **976** | **10,429,305** | **(2,172,819)** | **495,705,684** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | 31,489,778 | 315 | — | — | — | — | 140,068 |
| Class B ordinary shares converted into Class A ordinary shares | — | — | — | — | — | — | — |
| Capital contribution from non-controlling interests | — | — | — | — | — | — | — |
| Share-based compensation | — | — | — | — | — | — | 10,144,515 |
| Provision of statutory reserve | — | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | — | — | — |
| Unrealized loss on available-for-sale securities | — | — | — | — | — | — | — |
| Accretion of redeemable non-controlling interests | — | — | — | — | — | — | (542,187) |
| Net income (loss) | — | — | — | — | — | — | — |
| **Balance as of December 31, 2023** | **2,252,892,845** | **22,528** | **97,611,722** | **976** | **10,429,305** | **(2,172,819)** | **505,448,080** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | 31,071,505 | 311 | — | — | — | — | 84,799 |
| Issuance of ordinary shares upon follow-on public offering | 258,750,000 | 2,588 | — | — | — | — | 104,394,424 |
| Share-based compensation | — | — | — | — | — | — | 9,733,912 |
| Provision of statutory reserve | — | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | — | — | — |
| Unrealized gain on available-for-sale securities | — | — | — | — | — | — | — |
| Accretion of redeemable non-controlling interests | — | — | — | — | — | — | (630,485) |
| Net income (loss) | — | — | — | — | — | — | — |
| **Balance as of December 31, 2024** | **2,542,714,350** | **25,427** | **97,611,722** | **976** | **10,429,305** | **(2,172,819)** | **619,030,730** |

**UP FINTECH HOLDING LIMITED**
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**(All amounts in US$, except for share, per share data, or otherwise noted)**
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024**

| | Statutory Reserves | Accumulated other comprehensive income (loss) | (Accumulated deficit)/retained earnings | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **Balance as of January 1, 2022** | **3,562,888** | **6,665,819** | **(45,788,131 )** | **—** | **446,625,868** |
| **Adoption of ASU 2020-06** | **—** | **—** | **157,801** | **—** | **(3,009,656 )** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | — | — | — | — | 366,537 |
| Class B ordinary shares converted into Class A ordinary shares | — | — | — | — | — |
| Capital contribution from non-controlling interests | — | — | — | (10,541 ) | 7,850 |
| Share-based compensation | — | — | — | 1,774 | 14,213,841 |
| Provision of statutory reserve | 2,608,739 | — | (2,608,739 ) | — | — |
| Foreign currency translation adjustment | — | (8,128,640 ) | — | (1,568 ) | (8,130,208 ) |
| Unrealized loss on available-for-sale securities | — | (768,590 ) | — | — | (768,590 ) |
| Accretion of redeemable non-controlling interests | — | — | — | (3,094 ) | (61,870 ) |
| Net loss | — | — | (2,127,665 ) | (129,215 ) | (2,256,880 ) |
| **Balance as of December 31, 2022** | **6,171,627** | **(2,231,411 )** | **(50,366,734 )** | **(142,644 )** | **446,986,892** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | — | — | — | — | 140,383 |
| Class B ordinary shares converted into Class A ordinary shares | — | — | — | — | — |
| Capital contribution from non-controlling interests | — | — | — | — | — |
| Share-based compensation | — | — | — | 2,847 | 10,147,362 |
| Provision of statutory reserve | 2,339,412 | — | (2,339,412 ) | — | — |
| Foreign currency translation adjustment | — | (551,257 ) | — | 5,759 | (545,498 ) |
| Unrealized loss on available-for-sale securities | — | (450,325 ) | — | — | (450,325 ) |
| Accretion of redeemable non-controlling interests | — | — | — | (28,536 ) | (570,723 ) |
| Net income (loss) | — | — | 33,105,712 | (98,285 ) | 33,007,427 |
| **Balance as of December 31, 2023** | **8,511,039** | **(3,232,993 )** | **(19,600,434 )** | **(260,859 )** | **488,715,518** |
| Issuance of Class A ordinary shares upon settlement of share-based awards | — | — | — | — | 85,110 |
| Issuance of ordinary shares upon follow-on public offering | — | — | — | — | 104,397,012 |
| Share-based compensation | — | — | — | 2,989 | 9,736,901 |
| Provision of statutory reserve | 3,914,424 | — | (3,914,424 ) | — | — |
| Foreign currency translation adjustment | — | (9,030,209 ) | — | 7,598 | (9,022,611 ) |
| Unrealized gain on available-for-sale securities | — | 343,892 | — | — | 343,892 |
| Accretion of redeemable non-controlling interests | — | — | — | (33,184 ) | (663,669 ) |
| Net income (loss) | — | — | 61,358,405 | (4,477 ) | 61,353,928 |
| **Balance as of December 31, 2024** | **12,425,463** | **(11,919,310 )** | **37,843,547** | **(287,933 )** | **654,946,081** |

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

**UP FINTECH HOLDING LIMITED**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(All amounts in US$, except for share, per share data, or otherwise noted)**

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| **Cash flows from operating activities:** | | | |
| Net (loss) income | (2,256,880) | 33,007,427 | 61,353,928 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Share-based compensation | 14,213,841 | 10,147,362 | 9,736,901 |
| Depreciation and amortization | 2,749,144 | 2,838,552 | 2,624,290 |
| Unrealized fair value change of financial instruments held, at fair value | 1,474,009 | (16,142,109) | (10,196,099) |
| Loss (gain) from equity investments, including impairments | 474,347 | (6,889) | (210,511) |
| Allowance for doubtful accounts | 464,114 | 363,417 | 14,292,716 |
| Foreign currency exchange loss (gain) | (2,419,693) | 3,122,874 | (4,060,340) |
| Deferred tax (benefit) expense | (1,264,080) | 3,206,495 | 829,366 |
| Interest expense from convertible bonds | 2,486,151 | 2,550,208 | 2,617,706 |
| Changes in operating assets and liabilities: | | | |
| Financial instruments held, at fair value | (159,651,795) | (249,167,561) | 363,008,571 |
| Receivables from customers | 19,787,135 | (108,963,426) | (313,904,166) |
| Receivables from brokers, dealers and clearing organizations[(a)] | (77,163,404) | 415,068,652 | (1,763,863,578) |
| Amounts due from/to related parties | (3,399,187) | 6,468,157 | (18,006,726) |
| Prepaid expenses and other current assets | 3,190,957 | (4,719,181) | 1,174,192 |
| Operating lease right-of-use assets | (7,346,572) | 4,892,207 | (1,812,788) |
| Other non-current assets | 239,238 | (550,983) | (2,058,980) |
| Payables to customers | 486,912,633 | (83,098,889) | 661,344,567 |
| Payables to brokers, dealers and clearing organizations[(a)] | (32,217,431) | (23,848,815) | 1,799,997,770 |
| Accrued expenses and other current liabilities | 4,017,887 | 4,604,199 | 24,786,008 |
| Operating lease liabilities | 8,177,202 | (4,969,139) | 1,145,234 |
| Deferred income | (407,017) | (1,368,912) | (819,809) |
| **Net cash provided by (used in) operating activities** | **258,060,599** | **(6,566,354)** | **827,978,252** |
| **Cash flows from investing activities:** | | | |
| Purchase of property, equipment and intangible assets | (4,888,631) | (2,764,030) | (1,553,276) |
| Payment for long-term investments | (243,289) | (500,000) | — |
| Payment for equity method investment | — | — | (10,000,000) |
| Purchase of term deposits | — | (4,225,412) | (196,702) |
| Maturity of term deposits | 2,072,574 | 74,679 | 2,816,941 |
| Advances to employees | (641,069) | (342,686) | 269,403 |
| Dividend received | 88,414 | 6,889 | 6,889 |
| **Net cash used in investing activities** | **(3,612,001)** | **(7,750,560)** | **(8,656,745)** |
| **Cash flows from financing activities:** | | | |
| Proceeds received from redeemable non-controlling interests | 4,356,074 | 1,680,036 | — |
| Net proceeds received from follow-on public offering (net of offering cost of US$835,813) | — | — | 103,742,312 |
| Capital contribution from non-controlling interests | 7,850 | — | — |
| Proceeds received from issuance of Class A Ordinary Shares upon settlement of share-based awards | 366,537 | 140,383 | 85,110 |
| **Net cash provided by financing activities** | **4,730,461** | **1,820,419** | **103,827,422** |
| Increase (decrease) in cash, cash equivalents and restricted cash | 259,179,059 | (12,496,495) | 923,148,929 |
| Effect of exchange rate changes | (4,335,485) | (3,478,233) | (4,642,231) |
| **Cash, cash equivalents and restricted cash at beginning of the year** | **1,700,884,955** | **1,955,728,529** | **1,939,753,801** |
| **Cash, cash equivalents and restricted cash at end of the year** | **1,955,728,529** | **1,939,753,801** | **2,858,260,499** |
| **Cash, cash equivalents and restricted cash:** | | | |
| Cash and cash equivalents | 277,660,847 | 322,599,616 | 393,576,874 |
| Cash-segregated for regulatory purpose | 1,678,067,682 | 1,617,154,185 | 2,464,683,625 |
| **Supplemental disclosure of cash flow information:** | | | |
| Income taxes paid (net of refunds) | 2,126,572 | 13,324,309 | 11,288,825 |

(a) Includes the following changes in operating assets and liabilities resulting from transactions with related parties for the years ended December 31, 2022, 2023 and 2024:

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| **Cash flows from operating activities:** | | | |
| Changes in operating assets and liabilities: | | | |
| Receivables from brokers, dealers and clearing organizations | 54,299,601 | — | — |
| Payables to brokers, dealers and clearing organizations | 5,488,702 | — | — |

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

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$), except for share, per share data, or otherwise noted)**

## 1. ORGANIZATION AND PRINCIPAL ACTIVITIES

UP Fintech Holding Limited (the "Company") was incorporated under the laws of Cayman Islands on January 26, 2018. The Company, its subsidiaries, its consolidated variable interest entities ("VIEs") and VIEs' subsidiaries (collectively, the "Group") are primarily engaged in providing online brokerage services.

As of December 31, 2024, details of the Group's major principal operating subsidiaries, VIEs and VIEs' subsidiaries were as follows:

| | Date of incorporation or acquisition | Place of establishment/ incorporation | Percentage of legal ownership |
|---|---|---|---|
| ***Subsidiaries:*** | | | |
| Tiger Brokers (NZ) Limited ("TBNZ") | August 02, 2016 | New Zealand | 100% |
| Up Fintech International Limited ("Up International") | February 08, 2018 | Hong Kong | 100% |
| Tiger Brokers (Singapore) PTE Ltd. ("Tiger Brokers SG") | March 27, 2018 | Singapore | 100% |
| US Tiger Securities, Inc. ("US Tiger Securities") | March 30, 2018 | United States of America("USA") | 100% |
| Beijing Bohu Xiangshang Technology Co., LTD ("Beijing BHXS", "Beijing WFOE I") | May 17, 2018 | PRC | 100% |
| Beijing Xiangshang Yixin Technology Co., Ltd ("Beijing Yixin", "Beijing WFOE II") | July 26, 2018 | PRC | 100% |
| Trading Front Inc ("Trading Front") | August 01, 2018 | USA | 100% |
| Wealthn LLC ("Wealthn") | August 01, 2018 | USA | 100% |
| Kastle Limited ("Kastle") | October 15, 2018 | Hong Kong | 100% |
| TradeUP Securities Inc (US) ("TradeUP Securities") | July 12, 2019 | USA | 100% |
| Tradeup Inc. ("Tradeup") | October 10, 2019 | USA | 100% |
| Hangzhou U-Tiger Technology Co. LTD ("Hangzhou U-Tiger") | April 09, 2020 | PRC | 100%[1] |
| Tiger Fintech (NZ) Limited ("TFNZ") | May 17, 2021 | New Zealand | 100% |
| Tiger Services (AU) Pty Ltd ("Tiger Services AU") | August 27, 2021 | Australia | 100% |
| Tiger Brokers (AU) PTY Limited ("TBAU") | September 13, 2021 | Australia | 100% |
| Tiger Brokers (HK) Global Limited ("Tiger Brokers HK") | October 26, 2021 | Hong Kong | 100% |
| ***VIEs:*** | | | |
| Beijing Xiangshang Rongke Technology Co. LTD ("Beijing Rongke", "Ningxia VIE") | June 11, 2014 | PRC | Consolidated VIE |
| Beijing Xiangshang Yiyi Laohu Technology Group Co., LTD ("Beijing Yiyi", "Beijing VIE") | October 29, 2018 | PRC | Consolidated VIE |
| ***VIEs' subsidiaries:*** | | | |
| Beijing U-Tiger Network Technology Co., LTD ("Beijing U-Tiger Network") | April 20, 2016 | PRC | VIE's subsidiary |
| Beijing U-Tiger Business Service Co., Ltd ("Beijing U-Tiger Business") | April 21, 2016 | PRC | VIE's subsidiary |
| Beijing Zhijianfengyi Information Technology Co., Ltd ("Beijing ZJFY") | January 25, 2018 | PRC | VIE's subsidiary |
| Beijing Yixin Xiangshang Technology Co.,LTD ("Beijing Xiangshang") | September 05, 2018 | PRC | VIE's subsidiary |
| Guangzhou U-Tiger Technology Co., LTD ("Guangzhou U Tiger") | December 24, 2018 | PRC | VIE's subsidiary |

[1]Up Fintech International Limited owns 85% percentage of the shares of Hangzhou U-Tiger, and the holder of the remaining 15% has pledged its voting interest to Up Fintech International Limited, which as a result controls 100% of the voting power of this entity.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

***History of the Group and reorganization under identical common ownership***

The Group's history began in June 2014 with the commencement of operations of Beijing Rongke, as a limited liability company in PRC incorporated by Mr. Tianhua, Wu, Chief Executive Officer (the "CEO"). From December 2014 to January 2017, after the incorporation of the Beijing Rongke, series Angel, A, B, B+ investors (collectively, the "equity investors") each acquired certain equity interest with preferential rights of Beijing Rongke.

In June 2018, the Company undertook a series of reorganization transactions to re-domicile its business from the PRC to the Cayman Islands (the "Re-domiciliation"). The main purpose of the Re-domiciliation was to establish a Cayman holding company for the existing business in preparation for its overseas initial public offering. At the same shareholding percentages and the rights of each shareholder were substantially the same in Beijing Rongke and the Company, the Re-domiciliation was accounted for as a reorganization of entities under common ownership. As a result, Beijing Rongke's historical financial information was consolidated in the consolidated financial statements of the Group since the beginning of the periods presented.

***The VIE arrangements***

To provide the Company control over the VIEs and the rights to the expected residual returns of the VIEs and VIEs' subsidiaries, on June 7, 2018, Beijing WFOE I, entered into a series of contractual arrangements with Beijing Rongke and its equity investors, which were amended and restated on December 17, 2018 and October 11, 2022, respectively and was terminated on November 1, 2023. On the same date of such termination, the Beijing WFOE I, entered into a series of contractual arrangements with Beijing Rongke and its then shareholders. On October 30, 2018, Beijing WFOE II entered into a series of substantially same contractual arrangements with Beijing Yiyi.

As a result of entering into these contractual agreements, the Company through its wholly owned subsidiaries, Beijing WFOE I and Beijing WFOE II (the "WFOEs"), has (1) power to direct the activities of the VIEs that most significantly affect the entities' economic performance and (2) the right to receive economic benefits of the VIEs that could be significant to the VIEs. Accordingly, The Company is considered the primary beneficiary of the VIEs and consolidate the VIEs' financial results of operations, assets, and liabilities in the Company's consolidated financial statements. The Company also believes that this ability to exercise control ensures that the VIEs will continue to execute and renew the exclusive business cooperation agreements and pay service fees to the Company. The ability to charge service fees in amounts determined at the Company's sole discretion, and by ensuring that the exclusive business cooperation agreements are executed and renewed indefinitely, the Company has the right to receive substantially all of the economic benefits from the VIEs.

*Agreements that were entered to provide the Company effective control over the VIEs*

**Exclusive Option Agreements.** The respective equity investors of the VIEs entered into Exclusive Option Agreements with the WFOEs respectively, pursuant to which the equity investors of the VIEs grant the WFOEs an irrevocable and exclusive right to purchase or designate one or more persons to purchase the equity interests in the VIEs then held by the equity investors of the VIEs once or at multiple times at any time in part or in whole at the WFOEs' sole and absolute discretion to the extent permitted by PRC laws. The standard equity interest purchase price is US$1.5 (RMB10). If a minimum price limited by PRC law applicable is more than US$1.5 (RMB10), the purchase price of the equity interest shall equal such minimum price. The agreement shall remain effective for a term of ten years and renewable at the WFOEs' election.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)**

***The VIE arrangements (Continued)***

**Powers of Attorney.** The equity investors of the VIEs signed the irrevocable Powers of Attorney to appoint the WFOEs as the attorney-in-fact to act on the equity investors' behalf on all rights that the equity investors have in respect of their equity interest in the VIEs conferred by relevant laws and regulations and the articles of association of the VIEs. The rights include but not limited to attending shareholders meeting, exercising voting rights, designating and appointing on behalf of the equity investors, the legal representative (chairperson), the director, supervisor, the chief executive officer and other senior management members of the VIEs. Powers of attorney are coupled with an interest and shall be irrevocable and continuously valid from the date of execution of the Powers of Attorney.

**Spousal Consent letters.** The spouse of each married equity investors of the VIEs has signed a spousal consent letter, which unconditionally and irrevocably agreed not to assert any rights over the equity interest in the VIEs held by and registered in the name of their spouse. In addition, in the event that the spouse obtains any equity interest in the VIEs for any reason, they agreed to be bound by the contractual arrangements.

**Commitment letters.** The respective equity investors of the VIEs entered into Commitment letters with the WFOEs respectively. The equity investors of the VIEs undertake that, when exercising their options, they will refund, without any conditions, any amount and fees to the WFOEs which exceed the share purchase price provided in the Exclusive Option Agreements.

*Agreements that were entered to transfer economic benefits to the Company*

**Exclusive Business Cooperation Agreements.** The WFOEs entered into Exclusive Business Cooperation Agreements with the VIEs and their equity investors. Under the agreements, VIEs agree to appoint the WFOEs as their exclusive services provider to provide the business support, technical and consulting services at a determined price. The WFOEs shall have exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created during the performance of the agreement. The annual service fee should not be less than 99% of VIEs' total net profit and could be decided and adjusted by the WFOEs. The service agreements shall remain effective for ten years. The WFOEs has the right to unilaterally extend the agreement and the VIEs shall accept the extended term unconditionally.

**Equity Pledge Agreements.** The equity investors of the VIEs entered into Equity Pledge Agreements with the WFOEs, under which the equity investors pledged all of the equity interest in the VIEs to the WFOEs to ensure that the WFOEs collect all payments due by the VIEs, including without limitation the consulting and service fees regularly from the VIEs under the Exclusive Business Cooperation Agreements. The WFOEs shall have the right to collect dividends generated by the equity interest during the term of pledge. If any event of default, the WFOEs, as the pledgee, will be entitled to take possession of the equity interest pledged and to dispose of the pledged equity interest. The Equity Pledge Agreements remain continuously valid until all payments due under the Exclusive Business Cooperation Agreements have been fulfilled by the VIEs.

***Risks in relation to the VIE structure***

The Company believes that the WFOEs' contractual arrangements with the VIEs and their respective subsidiaries are in compliance with PRC laws and are legally enforceable. The equity investors of the VIEs are also major shareholders of the Company and therefore have no current interest in seeking to act contrary to the contractual arrangements. However, uncertainties in the PRC legal system could limit the Company's ability to enforce these contractual arrangements and if the shareholders were to reduce their interest in the Company, their interests may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the VIEs not to pay the service fees when required to do so.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

***Risks in relation to the VIE structure (Continued)***

The Company's ability to control the VIEs also depends on the Powers of attorney. The WFOEs have to vote on all matters requiring shareholders' approval in the VIEs. As noted above, the Company believes this Powers of attorney is legally enforceable but may not be as effective as direct equity ownership.

The shareholders are required to complete the registration of the equity pledge under the agreements with competent government authorities. In case any of the shareholders is in breach, the WFOEs will be entitled to certain right, including the right to dispose the pledged equity interest and to receive proceeds from the auction or sale of the pledge equity interests. The Company has completed the registration of the equity pledges relating to the VIEs with the local government authorities.

In addition, if the legal structure and contractual arrangements were found to be in violation of any existing PRC laws and regulations, the PRC regulatory authorities could:

- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict its operations;
- restrict the Group's right to collect revenues;
- restrict or prohibit the Group to finance its business and operations in China;
- require the Group to restructure the operations;
- impose additional conditions or requirements with which the Group might not be able to comply, levy fines, confiscate the Group's income or the income of its PRC subsidiary or affiliated PRC entities; or
- take other regulatory or enforcement actions against the Group that could be harmful to its business.

The imposition of any of these penalties could result in a material adverse effect on the Group's ability to conduct the Group's business. In addition, if the imposition of any of these penalties causes the Group to lose the rights to direct the activities of the VIEs, VIEs' subsidiaries, or the right to receive their economic benefits, the Group would no longer be able to consolidate the VIEs and VIEs' subsidiaries. The Group does not believe that any penalties imposed or actions taken by the PRC government would result in the liquidation or dissolution of the Company, the WFOEs, the VIEs and their respective subsidiaries.

The following table sets forth the assets, liabilities, results of operations and cash flows of the VIEs and VIEs' subsidiaries taken as a whole, which were included in the Group's consolidated financial statements with intercompany balances and transactions eliminated between the VIEs and VIEs' subsidiaries:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Current assets | 53,313,297 | 59,584,580 |
| Non-current assets | 11,399,140 | 8,219,993 |
| Total assets | **64,712,437** | **67,804,573** |
| Current liabilities | 26,976,594 | 28,658,433 |
| Non-current liabilities | 74,638 | 1,319,839 |
| Total liabilities | **27,051,232** | **29,978,272** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

***Risks in relation to the VIE structure (Continued)***

| | For the years ended December, 31 | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| Total revenues | 44,382,701 | 24,775,979 | 28,432,186 |
| Net loss | (8,220,848) | (4,204,124) | (1,185,593) |

| | For the years ended December, 31 | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| Net cash used in operating activities | (1,552,547) | (205,895) | (2,599,577) |
| Net cash (used in) provided by investing activities | (416,486) | (6,169,149) | 1,626,555 |
| Net cash provided by financing activities | 3,760,937 | 402,292 | 1,011,823 |

Total assets as of December 31, 2023 and 2024 disclosed above include amounts due from affiliated companies within the Group, amounting to US$39,517,426 and US$42,440,971, respectively. Total liabilities as of December 31, 2023 and 2024 disclosed above include amounts due to the internal companies amounting to US$16,018,252 and US$17,061,601 respectively. During 2022, 2023 and 2024, the VIEs earned inter-company total revenues amounting to US$40,966,619, US$21,984,942 and US$25,695,953, respectively. All of these intercompany balances and transactions have been eliminated in consolidation.

The Group's main revenues were mostly generated from its wholly owned subsidiaries in New Zealand, Singapore, Hong Kong and the United States for the years ended December 31, 2022, 2023, and 2024. Most of Group's consolidated VIEs and their subsidiaries operate business in the PRC and their main functions are to support Group's licensed/registered entities in New Zealand, Singapore, and the United States ("Licensed Entities"). Certain of the costs generated by VIEs and their subsidiaries are covered by these Licensed Entities through inter-company transactions, and the Group expect that the Licensed Entities will cover a substantial majority of such costs in the future. In general, the holding company transfers funds from financing (including funds from its IPO, follow-on equity offerings, and offerings of convertible bonds, as applicable) to Licensed Entities in the form of capital injections or loans to support their business expansion. These Licensed Entities pay the Group's consolidated VIEs and their subsidiaries periodically for the services rendered through inter-company transactions, pursuant to the terms of the contractual arrangements between them.

The Company's subsidiaries and consolidated VIEs did not declare nor distribute any dividends or distributions for the years ended December 31, 2022, 2023 and 2024. Additionally, the holding company did not declare nor distribute any dividends or distribution for the years ended December 31, 2022, 2023 and 2024.

There are no consolidated VIEs' assets that are collateralized for the VIEs' obligations and can only be used to settle the VIEs' obligations. There are no creditors (or beneficial interest holders) of the VIEs that have recourse to the general credit of the Company or any of its consolidated subsidiaries. There are no terms in any arrangements, considering both explicit arrangements and implicit variable interests that require the Company or its subsidiaries to provide financial support to the VIEs. However, if the VIEs ever need financial support, the Company or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to its VIEs through loans to the shareholders of the VIEs or entrustment loans to the VIEs.

Relevant PRC laws and regulations restrict the VIEs from transferring a portion of their net assets, equivalent to the balance of their statutory reserve and their share capital, to the Company in the form of loans and advances or cash dividends. Please refer to Note 22 for disclosure of restricted net assets.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of presentation and principle of consolidation***

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements of the Group include the financial statements of the Company, its wholly-owned subsidiaries, its VIEs and the VIEs' subsidiaries. The Company believes that the disclosures are adequate to make the information presented not misleading.

***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements include allowance for doubtful accounts, the useful lives of long-lived assets, impairment of long-lived assets and goodwill, fair value measurement of long-term equity securities without readily determinable fair value, long-term available-for-sale securities, purchase price allocation for business acquisition, share-based compensation, 2021 Series A1 note adopting the fair value option before modification (Note 9), the valuation allowance for deferred tax assets and income taxes. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.

***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 Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

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

*Level 1*

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

*Level 2*

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

*Level 3*

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fair value of financial instruments***

The Group's financial instruments consist primarily of cash and cash equivalents, cash-segregated for regulatory purpose, term deposits, financial instruments held, at fair value, derivative assets or liabilities in relation to the Company's derivative transactions, receivables from or payables to customers, receivables from or payables to brokers, dealers, clearing organizations, amounts due from or to related parties, long-term equity securities without readily determinable fair value, long-term available-for-sale securities and convertible bonds. The Company carries its financial instruments held, at fair value, long-term available-for-sales securities at fair value. Financial instruments held, at fair value, based upon quoted market price, mainly consist of stocks, funds and US treasuries. The carrying amounts of cash and cash equivalents, cash-segregated for regulatory purpose, term deposits, receivables from or payables to customers, receivables from or payables to brokers, dealers and clearing organizations, amounts due from or to related parties approximate their fair values due to the short-term maturities of these instruments. The fair value of convertible bonds that adopted fair value option (2021 Series A1 Note) was measured using binomial-lattice option valuation model and significant unobservable inputs included share price, volatility, expected dividend, risk free interest rate and bond yield. The carrying amounts of convertible bonds issued approximate their fair values.

***Derivative financial instruments***

The Company may acquire derivative financial instruments (i.e., warrants) during the course of its IPO distribution services. The Company does not use derivative financial instruments for speculative purposes. The Company records the derivative financial instruments in financial instrument held, at fair value on its consolidated balance sheets and measures these instruments at fair value. As of December 31, 2023 and 2024, the Company held nil derivative financial instruments in the Company's consolidated balance sheets. For the years ended December 31, 2022, 2023 and 2024, the Company recognized US$68,281, nil and nil realized loss, as well as US$12,906, nil and nil unrealized loss in other income in the Company's consolidated statements of comprehensive income (loss), respectively.

***Cash and cash equivalents***

Cash and cash equivalents consist of cash on hand, demand deposits with financial institutions, term deposits with an original maturity of three months or less and highly liquid investments, which are unrestricted from withdrawal or use, or which have original maturities of three months or less when purchased.

***Cash-segregated for regulatory purpose***

Certain subsidiaries of the Company are obligated by rules mandated by their primary regulators to segregate or set aside amount of cash deposited by the customer and the Company. Such regulations are promulgated to protect customer assets and meet the capital adequacy and other regulatory requirement. A corresponding payable to customers is recorded upon receipt of the cash from the customer. Restricted cash represents cash and cash equivalents that are subject to withdrawal or usage restrictions. Cash segregated for regulatory purposes meets the definition of restricted cash and is included in "cash, cash equivalents and restricted cash" in the consolidated statements of cash flows.

As of December 31, 2023 and 2024, TradeUP Securities, the Company's broker-dealer subsidiary located in the USA, had a cash of US$1,132,090,347 and US$1,301,618,645 segregated for the exclusive benefit of customers under Rule 15c3-3 of the Securities Exchange Act.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Term deposits***

Term deposits consist of bank deposits with an original maturity of greater than three months.

***Receivables from and payables to Customers***

Receivables from customers include the margin loans extended to consolidated accounts customers by the Group. Securities owned by the customers, which are not recorded in the consolidated balance sheets, are held as collateral for amounts due on the loan receivables. Receivables from customers are recorded net of allowance for doubtful accounts. Revenues earned from the margin loan transactions are included in interest income. Amounts receivable from customers that are determined by management to be uncollectible when the fair value of the collateral falls under the carrying value of the receivables and are recorded as bad debt expense in the consolidated statements of comprehensive income (loss).

Besides, the Group's New Zealand subsidiary offered housing loans with collateral of properties in 2023 and 2024. The housing loans were fixed interest rate loans with mortgages on the applicable properties. Interest is accrued and repaid monthly and the principal amounts are repaid upon maturity. The outstanding balance of the housing loans were US$6.1 million and US$12.4 million as of December 31, 2023 and 2024, respectively. The Group's allowance for housing loans represents management's estimate of expected credit losses over the remaining expected life of such loans that measured at amortized cost. Changes in the allowance are recorded in the provision for credit losses on the Group's consolidated statements of comprehensive income (loss). The Group applied a probability of default and loss given default ("PD/LGD") method to determine the allowance. The PD/LGD method was based on probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking credit parameters.

For the years ended December 31, 2022, 2023 and 2024, US$302,634, US$294,778 and US$14,292,716 of allowance for doubtful accounts were recorded, respectively.

The table below presents the movement of allowance for doubtful accounts from customers for the year ended December 31, 2023 and 2024.

| | 2023 | 2024 |
|---|---|---|
| | US$ | US$ |
| Balance as of January 1, | 696,508 | 991,286 |
| Additional/(Reversal) | 294,778 | 14,292,716 |
| Write-off | — | — |
| Balance as of December 31, | **991,286** | **15,284,002** |

Payables to customers represent the closing cash balance to the customers, which include cash deposit and cash collateral received or advanced from consolidated account customers derived from security borrowing and lending activities.

The Company receives or advances cash collateral, in an amount equals to or in excess of the fair value of the securities borrowed and loaned by customers. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as permitted contractually. Interest income and interest expense are recorded on an accrual basis.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Receivables from and Payables to brokers, dealers and clearing organizations***

Receivables from brokers, dealers and clearing organizations include customers' cash deposits, the Group's revenue receivables, cash collateral received for consolidated account customers' security borrowing and lending activities, and net receivables arising from unsettled trades.

Payables to brokers, dealers and clearing organizations include borrowed margin and cash collaterals received from securities borrowing and lending transactions.

Securities borrowing transactions require the Company to deposit cash with the lender, and securities lending transactions result in the Company receiving collateral in the form of cash from the brokers, dealers and clearing organization. The cash collateral advanced to or received from the brokers are in an amount generally equal to or in excess of the market value of the securities that borrowed or loaned by the consolidated account customers. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as permitted contractually. Interest income and interest expense are recorded on an accrual basis.

***Property, equipment, and intangible assets, net***

Property and equipment mainly consist of electronic equipment, office equipment, leasehold improvements and software. The property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Electronic equipment | 3 years |
| Office equipment | 5-14.25 years |
| Software | 3-5 years |
| Leasehold improvement | Shorter of the lease terms or the estimated useful lives of the assets |

Intangible assets mainly consist of the brokerage's license in USA, New Zealand, Hong Kong, Australia and United Kingdom acquired by the Company, which are recognized as intangible assets with indefinite life, and it should not be amortized until its useful life is determined to be no longer indefinite. An intangible asset that is not subject to amortization is tested for impairment at least annually or if events or changes in circumstances indicate that the asset might be impaired. The Group also holds a trademark which is an intangible asset with a definite useful life of around 8 years. Intangible assets with definite lives are carried at cost less accumulated amortization and impairment loss, if any, and are amortized using the straight-line method over the estimated economic lives.

***Goodwill***

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit.

Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The estimation of fair value of each reporting unit using a discounted cash flow methodology also requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for the Group's business, estimation of the useful life over which cash flows will occur, and determination of the Group's weighted average cost of capital. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for the reporting unit.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Goodwill (Continued)***

The Group first assesses relevant events and circumstances to determine whether it is necessary to perform the two-step goodwill impairment test. If, after assessing the totality of events or circumstances such as those described in the preceding paragraph, the Group determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the first and second steps of the goodwill impairment test are unnecessary. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit is greater than zero and its fair value exceeds its carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of the affected reporting unit's goodwill to the carrying value of that goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. This allocation process is only performed for purposes of evaluating goodwill impairment and does not result in an entry to adjust the value of any assets or liabilities. The Group concluded that the estimated fair value of the reporting unit substantially exceeded the underlying carrying value as of December 31, 2023 and 2024. No impairment charge was recognized for the years ended December 31, 2022, 2023 and 2024.

***Lease***

The Group leases offices and other facilities in different cities in the PRC, New Zealand, Singapore, USA and other countries. The Group determines whether an arrangement constitutes a lease and records lease liabilities and right-of-use assets on its consolidated balance sheets at the lease commencement. The Group measures its lease liabilities based on the present value of the total lease payments not yet paid discounted based on the more readily determinable of the rate implicit in the lease or its incremental borrowing rate, which is the estimated rate the Group would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. The Group estimates its respective incremental borrowing rate for each jurisdiction based on their analysis of publicly traded debt securities of companies with credit and financial profiles similar to its own. The Group measures right-of-use assets based on the corresponding lease liability adjusted for payments made to the lessor at the commencement date, and initial direct costs it incurs under the lease. The Group begins recognizing operating lease expense when the lessor makes the underlying asset available to the Group. The Group's leases have remaining lease terms of up to four years, some of which include options to extend the leases for an additional period which has to be agreed with the lessors based on mutual negotiation. After considering the factors that create an economic incentive, the Group did not include renewal option periods in the lease term for which it is not reasonably certain to exercise.

For short-term leases, the Group records operating lease expense in its consolidated statements of comprehensive income (loss) on a straight-line basis over the lease term and record variable lease payments as incurred.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Long-term investments***

The Group's long-term investments consist of equity securities without readily determinable fair values, and available-for-sale securities.

(a) Equity securities without readily determinable fair values

For investments in equity securities without readily determinable fair values, the Group elects to use the measurement alternative defined as cost, less impairment, adjusted by observable price change. The Group reviews its equity securities without readily determinable fair values investments for impairment at each reporting period by performing a qualitative assessment considering impairment indicators. The Group also make a reasonable effort to identify observable price changes in orderly transactions for the identical or a similar investment of the same issuer in each accounting period for equity securities without readily determinable fair values and adjust the carrying amount to reflect their fair value once observable price changes have been identified. The Group recorded nil impairment loss on its equity securities without readily determinable fair values during the years ended December 31, 2022, 2023 and 2024.

(b) Available-for-sale securities

For investments which are determined to be debt securities, the Group accounts for them as long-term available-for-sale securities when they are not classified as either trading or held-to-maturity investments.

Available-for-sale securities are carried at its fair value and the unrealized gains or losses from the changes in fair values are included in accumulated other comprehensive income or loss to extent not credit related.

The Group reviews its investments for other than credit-related impairment based on the specific identification method. The Group considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds the investment's fair value, the Group considers, among other factors, general market conditions, government economic plans, the duration and the extent to which the fair value of the investment is less than the cost, the Group's intent and ability to hold the investment, and the financial condition and near term prospects of the investees. The Group recorded US$472,605, nil and nil credit-related impairment losses on its available-for-sale securities during the years ended December 31, 2022, 2023 and 2024, respectively.

***Equity method investment***

In accordance with ASC 323 Investment – Equity Method and Joint Ventures, the Group accounts for an equity method investment over which it has significant influence but does not own a majority of the equity interest or otherwise controls and the investments are either common stock or in substance common stock using the equity method. The Group's share of the investee's profit and loss is recognized in the consolidated statements comprehensive income (loss) of the period. The Group choose to apply the nature of the distribution approach when receiving distributions from equity method investee in the consolidated statements of cash flow.

An impairment loss on the equity method investments is recognized in the consolidated statements of comprehensive income (loss) when the decline in value is determined to be other-than-temporary. The Group recorded US$175,000, nil and nil impairment losses on its equity method investment during the years ended December 31, 2022, 2023 and 2024, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Convertible Bonds***

Before January 1, 2022, the Group determine the appropriate accounting treatment of the 2021 Series A1 Note in accordance with the terms in relation to the cash conversion feature. As the conversion option may be settled entirely or partially in cash at the Company's option, the Company separated the 2021 Series A1 Note into liability and equity components in accordance with ASC Subtopic 470-20, Debt with Conversion and Other Options.

On January 1, 2022, the Group adopted ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity using modified-retrospective transition approach. Pursuant to ASU 2020-06, for the 2021 Series A1 Note, conversion options that were previously bifurcated and recorded in equity was recombined as a single instrument classified as a liability from January 1,2022. The Company adopted the modified retrospective method, and the change was recorded in the consolidated statements of changes in shareholders' equity. Please refer to Note 9 for disclosure of convertible bond payable.

***Revenue recognition***

Revenue from contracts with customers is recognized when or as the Group satisfies its performance obligations by transferring the promised services to the customers. A service is transferred to a customer when or as the customer obtains control of that service. A performance obligation may be satisfied at a point in time or over time. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Group determines the customer obtains control over the promised service. Revenue from a performance obligation satisfied over time is recognized by measuring the Group's progress in satisfying the performance obligation in a manner that depicts the transfer of the services to the customer. The amount of revenue recognized reflects the consideration the Group expects to receive in exchange for those promised services (i.e., the "transaction price").

The Group's revenues from contracts with customers are recognized when the performance obligations are satisfied at an amount that reflects the consideration expected to be received in exchange for such services. The majority of the Group's performance obligations are satisfied at a point in time upon the successful execution and clearing of the customer's trade order. Revenue is collected from the Group's clearing partners in the brokerage business or from the customers directly by debiting their brokerage account with the Group.

*Nature of Services*

The Group's services under contracts with customers are mainly related to its commission earned from its online brokerage business under the consolidated accounts (which customer information are not disclosed to the broker) and the fully disclosed accounts. The Group's main sources of revenue from contracts with customers are as follows:

i) Commissions earned for the Group's online brokerage business in customers' fully disclosed accounts and consolidated accounts are charged for each customer trade order executed and cleared by broker on a trade date basis and are reported as commissions in the consolidated statements of comprehensive income (loss).

According to the attributes of transactions under consolidated accounts, the Group provides brokerage service for its customers. Commission fees are deducted from the customer's account at the time of trade order initiation and a pre-determined portion is directed to the broker. The Group recognizes revenue at the time of execution of the order (i.e., trade date) on a gross basis as the Group is determined to be the primary obligor in fulfilling the trade order initiated by the customer.

According to the attributes of transactions under fully disclosed accounts, the Group provides the agreed services to its customers in facilitating the trades. Every time the broker executes and clears a trade, the broker collects the commissions, deducts its pre-determined portion and returns the rest of the commission fees to the Group. Accordingly, the commission fee is recorded on a net basis.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue recognition (Continued)***

*Nature of Services (Continued)*

ii) Finance servicing fees are related to margin loans and securities borrowing and lending activities provided by the brokers under the fully disclosed accounts. Revenue is recognized over the period that the margin loans and securities borrowing and lending activities are outstanding.

iii) Interest income is generated from margin loans and securities borrowing and lending activities provided to consolidated account customers, interest income from bank deposits and US Treasuries. Interest income is recognized on an accrual basis.

iv) Other revenues consist of the revenue arising from initial public offering ("IPO") distribution service, currency exchange service and others. Revenue from the IPO distribution service is derived from IPO underwriting and new share subscription services in relation to IPOs in the USA and Hong Kong capital market. IPO distribution revenue are generally recognized when the services are completed. The related revenue from IPO distribution services amounted at US$8,185,595, US$4,111,076 and US$9,305,372 for the years ended December 31, 2022, 2023 and 2024. Revenue from currency exchange service is charged to the Group's clients for providing currency exchange service, which was recorded upon the time when the services are rendered to customers. The related revenue from currency exchange service amounted at US$6,904,233, US$5,326,985 and US$9,462,749 for the years ended December 31, 2022, 2023 and 2024. The Group also provides promotional and advertisement service and financial advisory service under the contracts with customers, which are recorded over the period of service provided.

Contract liabilities arise when customers remit contractual cash payments in advance of the Company satisfying its performance obligations under the contract and are derecognized when the revenue associated with the contract is recognized either when a milestone is met triggering the contractual right to bill the customer or when the performance obligation is satisfied. Contract liabilities are reported in deferred income and accrued expenses and other current liabilities-advanced from customers in the consolidated balance sheets.

***Research and development expenses***

Research and development expenses primarily consist of salaries and employee benefits, rental and depreciation expenses related to the development of the Group's proprietary trading platform, back-end technology and customer relationship management system. For the years ended December 31, 2022, 2023 and 2024, US$60,146,506, US$63,458,798 and US$80,128,144 of research and development costs have been expensed as incurred as the costs qualifying for capitalization have been insignificant.

***Occupancy, Depreciation and Amortization***

Occupancy expenses consist primarily of lease payments on office and data center leases and related occupancy costs, such as utilities. Depreciation and amortization expenses result from the depreciation of fixed assets, such as electronic equipment, office equipment as well as leasehold improvements and the amortization of intangible assets.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Share-based compensation***

Share-based payment transactions with employees and managements, such as share options are measured based on the grant date fair value of the equity instrument. The Group has elected to recognize compensation expenses using the straight-line method for all employee equity awards granted with graded vesting provided that the cumulative amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date, over the requisite service period of the award, which is generally the vesting period of the award. Compensation expenses for awards with performance conditions is recognized when it is probable that the performance condition will be achieved. The Group elects to recognize forfeitures when they occur. Compensation expenses for awards with service conditions is recognized on a straight-line method over the requisite service period.

The cancellation of an award accompanied by the concurrent grant of a replacement award is accounted for as a modification of the terms of the awards. The incremental compensation cost is measured as the excess of the fair value of the modified award over the fair value of the modified award at the modification date. The incremental portion of share-based compensation for the vested portion is recognized immediately and the incremental portion of share-based compensation for the unvested portion is recognized over the remaining vesting period of the award. If an award is canceled without the concurrent grant of a replacement award or any other consideration, unrecognized compensation cost related to the canceled award is recognized immediately upon cancelation.

For awards granted with a performance condition that affects vesting, the performance condition is not considered in determining the award's grant-date fair value; however, the performance condition is considered when estimating the quantity of awards that are expected to vest. No compensation expense is recorded for awards with a performance condition unless and until the performance condition is determined to be probable of achievement.

***Income taxes***

Current taxes are provided for in accordance with the laws of the relevant taxing authorities. Deferred taxes are recognized when temporary differences exist between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities, including those for net operating loss carryforwards are measured using enacted statutory tax rates applicable to future years. Deferred tax assets are reduced by a valuation allowance if, in the opinion of management, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

The Group accounts for uncertainty in income taxes by recording an unrecognized tax benefit resulting from tax positions taken or expected to be taken in a tax return. The financial statement effects of tax positions are recognized when the Group believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. A tax position that meets the more likely than not recognition threshold is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. The Group presents interest and penalties, if any, related to income taxes in income tax expense.

The Group accounts for residual income tax effects in accumulated other comprehensive income due to a change in tax law or a change in judgment about realization of a valuation allowance using the portfolio method and only releases residual amounts when the entire portfolio is liquidated.

***Comprehensive income or loss***

Comprehensive income or loss consists of two components, net income or loss and other comprehensive income or loss, net of tax. Other comprehensive income or loss refers to revenue, expenses, and gains and losses that are recorded as an element of shareholders' equity but are excluded from net income or loss. The Group's other comprehensive income or loss consists of foreign currency translation adjustments from its subsidiaries not using the US$ as their functional currency and the fair value change of long-term available-for-sale securities of the Group, if any. Comprehensive income or loss is reported in the consolidated statements of comprehensive income (loss).

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Treasury stock***

The Group accounted for those shares repurchased as treasury stock at cost, Treasury stock, and is shown separately in the shareholders' equity as the Company has not yet decided on the ultimate disposition of those shares acquired. When the Company decides to cancel the treasury stock, the difference between the original issuance price and the repurchase price is debited into additional paid-in capital. Refer to Note 15 for details.

***Non-controlling interests***

For the Company's consolidated subsidiaries, VIEs and the VIEs' subsidiaries, non-controlling interests are recognized to reflect the portion of their equity that is not attributable, directly or indirectly, to the Company as the controlling shareholder. Non-controlling interests are classified as a separate line item in the equity section of the Group's consolidated balance sheets and have been separately disclosed in the Group's consolidated statements of comprehensive income (loss) to distinguish the interests from that of the Company.

***Redeemable non-controlling interests***

Redeemable non-controlling interests represent preferred shares financing by a consolidated VIE's subsidiary of the Group from preferred shareholders. As the preferred shares could be redeemed by such shareholders upon the occurrence of certain events that are not solely within the control of the Group, these preferred shares are accounted for as redeemable non-controlling interests. The Group accounts for the changes in accretion to the redemption value in accordance with ASC topic 480, Distinguishing Liabilities from Equity and recorded accretions on the preferred shares to the redemption value from the issuance dates to the earliest redemption dates.

***Foreign currencies***

The reporting currency of the Company is the US$. The Company and the Company's subsidiaries with operations in the PRC, Hong Kong, New Zealand, Singapore, Australia, the United States and other jurisdictions use their respective local currencies as their functional currencies except for TBNZ which changed the functional currency from local currency to US$. The financial statements of the Company's subsidiaries, other than the subsidiaries with functional currency in US$, are translated into US$ using the exchange rate as of the balance sheet date for assets and liabilities and the average daily exchange rate for each month for income and expense items. Translation gains and losses are recorded as a separate component of other comprehensive income (loss) in the consolidated statements of change in equity and consolidated statements of comprehensive income (loss).

In the financial statements of the Company's subsidiaries, transactions in currencies other than the functional currency are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate at the balance sheet date. All gains and losses arising from foreign currency transactions are recorded in other income in the consolidated statements of comprehensive income (loss) during the year in which they occur.

RMB is not a freely convertible currency. The State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into other currencies. The value of the RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The Group's cash and cash equivalents denominated in RMB in PRC domestic companies amounted to US$46,426,074, US$31,423,866 and US$20,759,453 as of December 31, 2022, 2023 and 2024, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net income (loss) per share***

The Group computes net income or loss per Class A and Class B ordinary share in accordance with *ASC 260-10* Earnings Per Share: Overall, using the two class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Net losses are not allocated to other participating securities if based on their contractual terms they are not obligated to share in the losses.

The liquidation and dividend rights of the holders of the Company's Class A and Class B ordinary shares are identical, except with respect to voting. As the liquidation and dividend rights are identical, the net incomes are allocated on a proportionate basis.

Basic net income or loss per share is computed by dividing net income or loss attributable to ordinary shareholders by the weighted average number of ordinary shares and contingently issuable shares outstanding during the period except that it does not include unvested restricted shares or repurchased ordinary shares subject to cancellation.

Diluted net income or loss per share is calculated by dividing net income or loss attributable to ordinary shareholders, as adjusted for the effect of dilutive potential ordinary shares, if any, by the weighted average number of ordinary shares outstanding and dilutive potential ordinary shares during the period. Potential ordinary shares are excluded in the denominator of the diluted net income or loss per share calculation if their effects would be anti-dilutive.

***Concentration of credit risk***

The Group's exposure to credit risk associated with its trading and other activities is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. Concentrations of credit risk can be affected by changes in political, industry, or economic factors. To reduce the potential for risk concentration, credit limits are established and exposure is monitored in light of changing counterparty and market conditions. As of December 31, 2023 and 2024, the Group did not have any material concentrations of credit risk outside the ordinary course of business.

***Concentration of revenue***

There is no customer accounting for 10% or more of total revenues for the years ended December 31, 2022, 2023 and 2024, respectively.

***Concentration of supplier***

The Group relies on third parties for the execution and clearing of trade requests made by customers. In instances where these parties fail to perform their obligations, the Group may be temporarily unable to find alternative suppliers to satisfactorily deliver services to its customers in a timely manner, if at all.

For the years ended December 31, 2022, 2023 and 2024, 24.3%, 16.6% and 10.6% of its total net revenues were executed and cleared by one supplier.

***Current Expected Credit Losses***

The Group adopted FASB ASC Topic 326 – Financial Instruments – Credit Losses ("ASC Topic 326") since January 1, 2020. The Group's in-scope assets are primarily subject to collateral maintenance provisions, such as margin loans extended to consolidated accounts customers by the Group for which the Company elected to apply the practical expedient of reporting the difference between the fair value of collateral and the amortized cost for the in-scope assets as the allowance for current expected credit losses ("CECL"). The Group applied a PD/LGD method to determine the allowance for the New Zealand housing loans. The PD/LGD method was based on probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking credit parameters.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Recent Accounting Pronouncements***

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures introducing key amendments to enhance disclosures in public entities reportable segments. Notable changes include the mandatory disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM"), disclosure of other segment items, and requirements for consistency in reporting measures used by the CODM. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Group applied this ASU on January 1, 2024 and the adoption had no material impact on the Group's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets. ASU No. 2023-08 requires the entity to subsequently measure assets that meet some criteria at fair value with changes recognized in net income each reporting period. The guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Group does not expect adoption of this standard will have a material impact on its financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures. ASU No. 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Group does not expect adoption of this standard will have a material impact on its financial statements.

In March 2024, FASB issued ASU 2024-02, Codification Improvements: Amendments to Remove References to the Concepts Statements. ASU No. 2024-02 contains amendments to the Codification that remove references to various Concepts Statements. The guidance is effective for public business entities for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Group does not expect adoption of this standard will have a material impact on its financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this ASU are intended to improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Group is currently assessing the impact to its consolidated financial statements.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other currents assets consisted of the following:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| IPO distribution service and promotional and advertisement service receivables | 2,707,740 | 5,197,266 |
| Wealth management service fees receivables | 1,823,331 | 2,666,704 |
| Advances to employees | 2,190,106 | 2,392,161 |
| Prepaid data and IT service expenses | 2,741,338 | 2,051,802 |
| Prepaid income tax | 2,178,658 | 1,084,146 |
| Prepaid professional service fees | 1,008,341 | 822,870 |
| Interest receivables from term deposits | 611,083 | 732,696 |
| Prepaid marketing expenses | 552,565 | 703,045 |
| Rental and other deposits | 611,140 | 693,558 |
| Input VAT receivables | 569,813 | 137,066 |
| Others | 2,942,065 | 1,148,505 |
| **Total** | **17,936,180** | **17,629,819** |

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 4. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS, NET

Property, equipment and intangible assets, net, consisted of the following:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Electronic Equipment | 7,809,971 | 9,381,922 |
| Office Equipment | 873,192 | 858,548 |
| Leasehold improvement | 1,657,837 | 1,194,817 |
| Software | 1,379,299 | 1,721,485 |
| Less: accumulated depreciation | (6,525,834) | (8,976,373) |
| Property and equipment, net | 5,194,465 | 4,180,399 |
| Licenses | 10,004,563 | 10,004,563 |
| Trademark | 115,140 | 111,995 |
| Trading right | 128,026 | 128,259 |
| Others | 1,057,434 | 1,016,091 |
| Less: accumulated amortization | (70,085) | (82,779) |
| Intangible assets, net | 11,235,078 | 11,178,129 |
| **Total** | **16,429,543** | **15,358,528** |

Depreciation expenses for the years ended December 31, 2022, 2023 and 2024 were US$2,733,684, US$2,823,534 and US$2,609,682, respectively.

Amortization expenses for the years ended December 31, 2022, 2023 and 2024 were US$15,460, US$15,018 and US$14,608, respectively.

The estimated amortization expenses for the above intangible assets for future years are as follows:

| Years ending December 31, | Amortization for Intangible Assets |
|---|---|
| | US$ |
| 2025 | 14,608 |
| 2026 | 14,608 |
| 2027 | — |
| 2028 | — |
| 2029 | — |
| **Total** | **29,216** |

## 5. GOODWILL

There was no changes in the carrying amount of goodwill for the years ended December 31, 2023 and 2024.

| | For the years ended, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Balance at the beginning of year | 2,492,668 | 2,492,668 |
| Balance at the end of year | **2,492,668** | **2,492,668** |

As of December 31, 2023 and 2024, there had not been any accumulated goodwill impairment provided.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 6. LONG-TERM INVESTMENTS AND EQUITY METHOD INVESTMENT

**Equity securities without readily determinable fair value**

The Group had the following equity securities without readily determinable fair value:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Fortune Rise Acquisition Corporation ("FRLAU") [(a)] | 200,237 | 200,237 |
| Shenzhen Guru Club Information Technology Group Co., LTD. ("Guru") [(b)] | 1,408,472 | 1,369,994 |
| Shanghai Realize Investment Consulting Co., Ltd. ("Realize") [(c)] | 845,082 | 821,997 |
| Shanghai Yisong Consulting Management Co., LTD ("Yisong") [(d)] | 366,202 | 356,199 |
| Feutune Light Acquisition Corporation ("FLFVU") [(e)] | 200,000 | — |
| Mainnet Group Holdings ("Mainnet") [(f)] | 500,000 | 500,000 |
| **Total** | **3,519,993** | **3,248,427** |

(a) FRLAU is a NASDAQ listed blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. In November 2021, the Group acquired 122,000 founder shares, 20,000 private shares and 60,000 representative shares issued by FRLAU for a total purchase consideration of US$201,248. After the sale of 98,800 founder shares in December 2022, the Group held 0.8% equity interests of FRLAU with no significant impacts. The founder shares, private shares and representative shares are each subject to transfer restrictions pursuant to lock-up provisions. No observable price change has been identified and no fair value change was recorded for the years ended December 31, 2023 and 2024.

(b) In October 2017, the Group acquired 1.0% equity interests of Guru with no significant impacts, formerly known as Tibet Gelonghui Information Technology Co., LTD., for a purchase consideration of US$1,536,972 (RMB10,000,000). Guru is principally engaged in information technology development, technical consultation and technical services. No observable price change has been identified and no fair value change was recorded for the years ended December 31, 2023 and 2024. The change of balance was foreign exchange difference.

(c) In August 2021, the Group acquired 1.5% equity interests of Realize for a purchase consideration of US$926,183 (RMB6,000,000). Realize is principally engaged in ESOP advisory and management services. No observable price change has been identified and no fair value change was recorded for the years ended December 31, 2023 and 2024. The change of balance was foreign exchange difference.

(d) In April 2021, the Group acquired 5% equity interests of Yisong for a purchase consideration of US$400,962 (RMB2,600,000). Yisong is principally engaged in consulting and financial advisory services. No observable price change has been identified and no fair value change was recorded for the years ended December 31, 2023 and 2024. The change of balance was foreign exchange difference.

(e) FLFVU is a NASDAQ listed blank check company formed for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. In June 2022, the Group acquired 20,000 private shares and 60,000 representative shares issued by FLFVU for a total purchase consideration of US$200,000, which accounted for 0.63% equity interests of FLFVU with no significant impacts. On June 21, 2024, FLFVU completed the business combination with Thunder Power Holdings Limited, a British Virgin Islands company ("Thunder Power"). After the business combination, the private shares and representative shares the Group held were converted into listed common shares. Considering the Group does not control nor has ability to exercise significant influence over the operating and financial policies of the investee, the Group recognized the investment as financial instruments held, at fair value.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 6. LONG-TERM INVESTMENTS AND EQUITY METHOD INVESTMENT (Continued)

**Equity securities without readily determinable fair value (Continued)**

(f) In September 2023, the Group acquired 2.0% equity interests of Mainnet for a purchase consideration of US$500,000. Mainnet has formed multiple lines of businesses including wealth management, fund management, a global open platform, and FinTech arm, providing high-net-worth customers with all-rounded financial services. No observable price change has been identified and no fair value change was recorded for the years ended December 31, 2023 and 2024.

**Available-for-sale securities**

The Group had the following available-for-sale securities:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Alphalion Technology Holding Limited ("Alphalion") [g] | 4,066,490 | 4,410,382 |
| **Total** | **4,066,490** | **4,410,382** |

(g) In February 2019, the Group entered into a series of agreements to covert its short-term interest-free loans to Alphalion Technology Holding Limited and its affiliates which amounted to US$3,060,113 into a 25% equity interest of Alphalion (Note 16). Alphalion is principally engaged in IT services, including software maintenance, application service and data processing. The investment was classified as available-for-sale securities with no contractual maturity date as the Group determined that the preferred shares were debt securities due to the redemption option available to investors and measured the investment subsequently at fair value. US$502,903, US$450,325 loss, and US$343,892 gain of fair value were recorded for the years ended December 31, 2022, 2023 and 2024, respectively. Nil allowance for credit losses was recorded for the years ended December 31, 2022, 2023 and 2024.

**Equity method investment**

The Group had the following equity method investment:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| TIGER-YUANTA USD LIQUIDITY FUND ("Yuanta") [h] | — | 10,203,622 |
| **Total** | **—** | **10,203,622** |

(h) In July 2024, the Group acquired 17.1% equity interests of TIGER-YUANTA USD LIQUIDITY FUND for a purchase consideration of US$10,000,000. Yuanta is managed by a subsidiary of the Group and the investment objective of Yuanta is to provide liquidity and manage risk while looking to provide a return which is comparable to that of USD short-term deposits. The Group recorded an investment gain of US$203,622 for the year ended December 31, 2024.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Accrued payroll and welfare | 19,043,496 | 26,219,450 |
| Income and non-income-based taxes payables | 7,319,738 | 16,073,041 |
| Accrued professional expenses | 4,300,517 | 4,772,321 |
| Accrued marketing expenses | 3,863,879 | 3,459,673 |
| Advanced from customers | 3,425,224 | 4,952,208 |
| Accrued data and IT service expenses | 1,301,092 | 2,934,834 |
| Amounts due to employees for sale of their shares exercised under the share incentive plan | 2,702,901 | 5,786,535 |
| Others | 425,099 | 3,065,192 |
| **Total** | **42,381,946** | **67,263,254** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 8. INCOME TAXES

*Cayman Islands*

Under the current laws of the Cayman Islands, the Group is not subject to tax on its income or capital gains.

*PRC*

Under the PRC Enterprise Income Tax Law (the "EIT Law"), the standard enterprise income tax rate for domestic enterprises and foreign invested enterprises is 25%. In addition, the EIT Law and its implementing rules permit qualified "High and New Technologies Enterprise" (the "HNTE") to enjoy a reduced 15% EIT income tax rate. The HNTE certificate is effective for a period of three years. Certain PRC subsidiaries, VIEs and VIEs' subsidiaries, including Beijing U-Tiger Business, Beijing Yixin, Beijing U-Tiger Network, Hangzhou U-Tiger, Guangzhou U Tiger and Beijing Xiangshang are qualified HNTEs and enjoy a reduced income tax rate of 15% for the years ended December 31, 2022, 2023 and 2024. An entity could re-apply for the HNTE certificate when the prior certificate expires. Historically, all companies successfully re-applied for the certificates when the prior once expired. The Group's other PRC subsidiaries are subject to income tax rate of 25%, according to EIT Law.

*New Zealand*

The Group's subsidiaries, TBNZ and TFNZ are located in New Zealand and are subject to an income tax rate of 28% for taxable income earned in New Zealand.

*Hong Kong*

The Group's subsidiaries incorporated in Hong Kong are subject to a profits tax rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any part of assessable profits over HK$2,000,000.

*USA*

The Group's subsidiaries incorporated in the USA are subject to a federal income tax rate of 21% for taxable income earned in the USA. Taxable income apportioned to New York, New York City, and New Jersey is also subject to tax at statutory tax rates of 6.5%, 8.85%, and 11.5%, respectively.

*Singapore*

The Group's subsidiaries incorporated in Singapore are subject to an income tax rate of 17% for taxable income earned in Singapore.

*Australia*

The Group's subsidiaries incorporated in Australia are subject to an income tax rate of 30% for taxable income earned in Australia.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 8. INCOME TAXES (Continued)

The components of income before income taxes are as follows:

| | For the years ended December 31, | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| | **US$** | **US$** | **US$** |
| The Cayman Islands | (2,399,651) | (700,677) | (1,334,142) |
| PRC | 9,105,225 | 12,562,152 | 35,007,671 |
| Other | (4,673,789) | 34,132,262 | 48,090,120 |
| **Total income before income taxes** | **2,031,785** | **45,993,737** | **81,763,649** |

The current and deferred portions of income tax expense allocated to continuing operations, all of which was incurred outside the Cayman Islands, were as follows:

| | For the years ended December 31, | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| | **US$** | **US$** | **US$** |
| Current tax (expense) | (5,552,745) | (9,779,815) | (19,580,355) |
| Deferred tax benefit (expense) | 1,264,080 | (3,206,495) | (829,366) |
| **Income tax expense** | **(4,288,665)** | **(12,986,310)** | **(20,409,721)** |

The enterprise income tax law also imposes a withholding income tax on dividends distributed by a foreign investment enterprise ("FIE") to its immediate holding company outside of the PRC. According to the arrangement between Chinese mainland and HKSAR, dividends paid by an FIE in Chinese mainland to its immediate holding company in HKSAR will be subject to withholding tax at a rate of no more than 5%. Dividends paid from US subsidiaries to their parent company are subject to US withholding tax at a rate of 30%. Cash dividends paid by a New Zealand incorporated company is subject to 5% withholding under the New Zealand-Singapore Double Tax Agreement.

The Company does not intend to have any of its subsidiaries and VIEs located in jurisdictions that would assess a tax on a distribution distribute any accumulated earnings in the foreseeable future, but rather expects that such profits will be indefinitely reinvested by such subsidiaries and VIEs for their respective local operations. Accordingly, no liability for withholding tax was recorded as of December 31, 2023 and 2024. Undistributed earnings of such subsidiaries and VIEs amounted to US$141.6 million and US$214.1 million and the unrecognized deferred tax liability related to such earnings amounted to US$12.8 million and US$23.4 million as of December 31, 2023 and December 31, 2024, respectively.

The Group’s subsidiaries and consolidated VIEs located in the PRC, HKSAR, New Zealand, the USA, Singapore and other jurisdictions are open to tax examination for the period from its inception until the year ended December 31, 2024.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 8. INCOME TAXES (Continued)

The significant components of the Group's deferred tax assets and liabilities were as follows:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| **Deferred tax assets** | | |
| Net operating loss carryforwards | 23,177,049 | 22,460,370 |
| Share-based compensation | 2,555,382 | 4,104,367 |
| Lease liabilities | 1,933,001 | 2,019,091 |
| Withholding tax credit carryforwards | 1,042,268 | 1,013,796 |
| Advertising expense carryforwards | 961,816 | 807,824 |
| Accrued expenses | 479,475 | 504,250 |
| Financial instruments held, at fair value | 425,174 | 546,762 |
| Allowance for doubtful accounts | 331,043 | 860,624 |
| Long-term investments | 140,847 | 228,010 |
| Total deferred tax assets | 31,046,055 | 32,545,094 |
| Less: valuation allowance | 18,262,801 | 21,923,356 |
| **Deferred tax assets, net of valuation allowance** | **12,783,254** | **10,621,738** |
| | | |
| **Deferred tax liabilities** | | |
| Intangible assets | 1,788,555 | 1,788,555 |
| Right-of-use assets | 1,742,996 | 1,945,981 |
| Financial instruments held, at fair value | 1,658,536 | 382,728 |
| **Total deferred tax liabilities** | **5,190,087** | **4,117,264** |
| | | |
| **Deferred tax assets, net** | **10,990,998** | **8,573,135** |
| **Deferred tax liabilities, net** | **3,397,831** | **2,068,661** |

The movement of the valuation allowance is as follows:

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| Balance at the beginning of the year | **5,224,095** | **11,307,489** | **18,262,801** |
| Additions of valuation allowance | 7,192,373 | 7,372,595 | 6,576,529 |
| Reversals of valuation allowance | (858,222) | (187,483) | (2,599,680) |
| Foreign currency translation adjustment | (250,757) | (229,800) | (316,294) |
| Net change in the valuation allowance | 6,083,394 | 6,955,312 | 3,660,555 |
| **Balance at the end of the year** | **11,307,489** | **18,262,801** | **21,923,356** |

As of December 31, 2023 and 2024, the Group had net operating loss carryforwards of US$137,570,765 and US$131,416,993, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 8. INCOME TAXES (Continued)

The expiration status of net operating loss carryforwards as of December 31, 2024 is listed below.

| Expiration year | US$ |
|---|---|
| 2025 | 1,027,515 |
| 2026 | 6,478,019 |
| 2027 | 6,958,289 |
| 2028 | 5,774,048 |
| 2029 through 2044 | 65,272,224 |
| Indefinitely | 45,906,898 |

As of December 31, 2023 and 2024, the Group had advertising expenses carryforwards of US$3,847,264 and US$3,931,434 respectively, which can be carried forward indefinitely.

As of December 31, 2023 and 2024, the Group had withholding tax credit carryforwards of US$1,042,268 and US$1,013,796, respectively, Among the withholding tax credit carryforwards as of December 31, 2024, US$879,901 will expire by 2025 while US$133,895 will expire in 2026.

Management assessed the positive and negative evidence in certain entities in the PRC, United States, New Zealand and Singapore, and estimated they will have sufficient future taxable income to utilize the existing deferred tax assets. Significant objective positive evidence included the significant growth in customer trading activities in the New Zealand entities where net operating loss carryforwards could be carried forward indefinitely, net operating loss carryforwards in the United States generated after 2017 can be carried forward indefinitely, and net operating loss carryforwards in Singapore can be carried forward indefinitely. Net operating loss carryforwards can be carried forward 5 years in PRC except for a PRC entity qualified as “HNTE” which can be carried forward 10 years. The Group has concluded that deferred tax assets recognized for certain entities in the PRC, United States, New Zealand and Singapore are more likely than not to be realized.

A valuation allowance is provided against deferred tax assets when the Group determines that it is more-likely-than-not that the deferred tax assets will not be realized in the future. The Group considers positive and negative evidence at each individual tax-paying component to determine whether some portion or all of the deferred tax assets are more-likely-than-not to be realized.

The realizability of deferred tax assets requires significant judgment associated with evaluation of past and projected financial performance which incorporates projections of future taxable income, including forecasted revenues and expenses, by tax-paying component. In assessing the realizability of deferred tax assets, management considered the future taxable earnings which consists of forecasted revenue, operating cost and expenses, and the expected timing of the reversal of temporary differences. As of December 31, 2023 and 2024, valuation allowances of US$18,262,801 and US$21,923,356, respectively, were provided against the deferred tax assets that management determined are not more-likely-than-not to be realized in the future. To the extent that actual experience deviates from the assumptions, the projections would be affected and hence management’s assessment of realizability of deferred tax assets may change.

Deferred tax assets related to net operating loss carryforwards without a valuation allowance were recognized for the years ended December 31, 2022, 2023 and 2024. were US$4,443,670, US$1,510,584 and US$145,882. Due to changes in judgment about the realizability of deferred tax assets in 2024, valuation allowance increases of US$3,901,147, US$3,574,020, and US$3,327,769 in 2022, 2023 and 2024 and a valuation allowance decrease of US$339,397, nil and US$1,304,439 were recorded in 2022,2023 and 2024. The Group realized a benefit of utilizing DTAs of US$510,807, US$187,483 and US$1,295,241 in 2022, 2023 and 2024 that were offset with a valuation allowance at the beginning of the year.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 8. INCOME TAXES (Continued)

Reconciliations between the income tax expense computed by applying the PRC's 25% statutory income tax rate, the standard enterprise income tax rate in the jurisdiction of tax domicile of a significant portion of our business, to income before income taxes and the reported income tax expense were as follows:

| | For the years ended December 31, | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| | **US$** | **US$** | **US$** |
| Income before income taxes | 2,031,785 | 45,993,737 | 81,763,649 |
| PRC statutory income tax rate | 25% | 25% | 25% |
| Income tax at statutory income tax rate | (507,946) | (11,498,434) | (20,440,912) |
| Effect of income tax rate difference in other jurisdictions | (1,118,844) | 23,195 | 2,527,278 |
| Effect of preferential tax rates | 999,270 | 1,306,561 | 3,226,674 |
| Remeasurement of deferred taxes for tax rate change | (1,269,155) | — | — |
| Super deduction of research and development expense | 4,725,220 | 5,509,308 | 5,544,966 |
| Nondeductible expenses | (4,142,647) | (1,998,354) | (10,651,228) |
| Non-taxable income | 35,616 | 194,107 | 1,758,388 |
| Changes in valuation allowance | (6,334,151) | (7,185,112) | (3,976,849) |
| Excess tax benefits from share-based compensation | 1,146,536 | 662,419 | 1,601,962 |
| Remeasurement of share-based compensation tax attributes (Note) | 2,177,436 | — | — |
| **Income tax expense** | **(4,288,665)** | **(12,986,310)** | **(20,409,721)** |

Note: This income tax benefit of US$2.2 million was related to the expenses being allowed to be deducted on the tax filling for fiscal year 2021 and the recognition of a deferred tax asset for the cumulative compensation costs for share-based compensation awards outstanding as of January 1, 2022 as a result of developments during the year ended December 31, 2022.

## 9. CONVERTIBLE BOND PAYABLE

2021 Series A1 Note

On February 25, 2021, the Company entered into the Convertible Note Purchase Agreement (the “Agreement”) with a group of investors (the “Investors”) to issue its convertible bonds with an aggregate principal amount of US$44 million to the Investors through a private placement (2021 Series A1 Note). The convertible notes issued will mature in 2026 unless previously converted. The 2021 Series A1 Note bears annual interest rate at 1% from the issuance date until the outstanding principal amount is fully repaid.

The Company elected the fair value option for the 2021 Series A1 Note. The Company adopted binomial-lattice option valuation model to estimate the fair value of the convertible bonds with the assistance of an independent third-party appraiser and the following assumptions for each applicable period which took into account variables such as share price, volatility, expected dividend, risk free interest rate and bond yield. Changes in fair value of convertible bonds are recognized in other income in the consolidated statements of comprehensive income (loss) during the year, with the exception of changes in fair value due to instrument-specific credit risk which are required to be recognized in accumulated other comprehensive income (loss).

On September 27 and 30, 2021, the Company and the Investors entered into an amendment agreement with a cash conversion feature added into the Agreement. Upon conversion, the Company will pay or deliver, as the case may be, cash, ADSs, or a combination of cash and ADSs, at the Company’s election. The Company accounted for the amendment as an extinguishment of the previous bonds. The changes in the fair value of the convertible bonds before and after the modification was recorded in other income in the consolidated statements of comprehensive income (loss) during 2021.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 9. CONVERTIBLE BOND PAYABLE (Continued)

2021 Series A1 Note (Continued)

As the conversion option may be settled entirely or partially in cash at the Company's option, the Company separated the 2021 Series A1 Note into liability and equity components in accordance with ASC Subtopic 470-20, Debt with Conversion and Other Options. The carrying amount of the liability component was calculated by measuring the fair value of a similar liability that did not have an associated conversion feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the initial proceeds and recorded as additional paid-in capital. The resulting discount was accreted at an effective interest rate of 5.4% over the period from modification date to the maturity date.

According to ASU 2020-06, for the 2021 Series A1 Note, conversion options that were previously bifurcated and recorded in equity, which was recombined as a single instrument classified as a liability from January 1, 2022. The Company adopted the modified retrospective method and the change was recorded in the consolidated statements of changes in shareholders' equity.

2021 Series A2 Note

On May 5, 2021, the Company issued US$21 million convertible bonds (2021 Series A2 Note). The convertible notes to be issued will mature in 2026 unless previously converted. The Bond bears annual interest rate at 1% from the issuance date until the outstanding principal amount is fully repaid. The 2021 Series A2 Note did not have any embedded conversion option which required to be bifurcated and separately accounted for as a derivative under ASC 815 Derivatives and Hedging, nor do they contain a cash conversion feature. The Company accounted for the 2021 Series A2 Note in accordance with ASC 470 Debt, as a single debt instrument and subsequently measured at amortized cost. No beneficial conversion feature (the "BCF") was recognized as the set conversion price for the 2021 Series A2 Note is greater than the fair value of the ADSs price at date of issuance.

2021 Series B Note

On April 12, 2021, a consortium of institutional investors subscribed to purchase convertible notes in an aggregate principal amount of US$90 million through a private placement (2021 Series B Note). The convertible notes issued will mature in 2026 unless previously converted. The Bond bears annual interest rate at 1% from the issuance date until the outstanding principal amount is fully repaid. The 2021 Series B Note did not have any embedded conversion option which required to be bifurcated and separately accounted for as a derivative under ASC 815 Derivatives and Hedging, nor do they contain a cash conversion feature. The Company accounted for the 2021 Series B Note in accordance with ASC 470 Debt, as a single debt instrument and subsequently measured at amortized cost. No BCF was recognized as the set conversion price for the 2021 Series B Note is greater than the fair value of the ADSs price at date of issuance.

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| 2021 Series A1 Note US$ 44,000,000 1.00% due to 2026 | 42,957,209 | 44,435,897 |
| 2021 Series A2 Note US$ 21,000,000 1.00% due to 2026 | 21,543,492 | 21,758,873 |
| 2021 Series B Note US$ 90,000,000 1.00% due to 2026 | 92,386,990 | 93,310,627 |
| | **156,887,691** | **159,505,397** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 10. ORDINARY SHARES

The Company's Amended and Restated Memorandum of Association authorizes the Company to issue 4,662,388,278 Class A ordinary shares and 337,611,722 Class B ordinary shares with a par value of US$0.00001 per share. The shareholders of Class A ordinary shares and Class B ordinary shares have the same rights except for the voting and conversion rights. Each Class A ordinary share is entitled to one vote and is not convertible into Class B ordinary share under any circumstance; and each Class B ordinary share is entitled to twenty votes and will be automatically converted into one Class A ordinary share under certain circumstances.

As of June 7, 2018, upon the Re-domiciliation described in Note 1, the Company had 33,170,968 Class A ordinary shares and 410,643,948 Class B ordinary shares issued and outstanding, respectively. In June 2018, the Company further issued 2,480,000 Class A ordinary shares and 107,863,347 Class B ordinary shares. In November 2018, 180,895,573 Class B ordinary shares were redesignated into Class A ordinary shares. As of December 31, 2018, the Company had 216,546,541 Class A ordinary shares and 337,611,722 Class B ordinary shares issued and outstanding, respectively.

In March 2019, the Group completed its initial public offering and received net proceeds of US$114,765,901, the Company newly issued 237,375,000 Class A ordinary shares (representing 15,825,000 ADSs), including 13,125,000 Class A ordinary shares issued through a private placement from an existing shareholder, IB Global Investment LLC, an affiliate of Interactive Brokers, and 29,250,000 Class A ordinary shares issued from exercising the over-allotment option by the underwriters.

Upon the completion of the initial public offering, 1,210,906,902 outstanding Series Angel, A, B-1, B-2, B-3 and C preferred shares were converted into 1,210,906,902 Class A ordinary shares on a one-for-one basis, and 18,597,738 outstanding Series C-1 preferred shares were converted into 18,612,084 Class A ordinary shares, reflecting the anti-dilution adjustments to the conversion rate based on the initial public offering price of US$8.00 per ADS.

As of December 31, 2019, the Company had 1,777,218,449 Class A ordinary shares and 337,611,722 Class B ordinary shares issued and outstanding, respectively.

As of December 31, 2020, the Company had 1,794,357,434 Class A ordinary shares and 337,611,722 Class B ordinary shares issued and outstanding, respectively.

On June 10, 2021, the Company completed a follow-on public offering, issued 112,125,000 Class A ordinary shares for a total consideration of US$175.4 million after deducting the underwriting discounts and commissions and offering expenses.

In March, August and December 2021, 22,500,000, 45,000,000 and 48,000,000 Class B ordinary shares were converted into Class A ordinary shares, respectively.

In March 2022, 124,500,000 Class B ordinary shares were converted into Class A ordinary shares.

In October 2024, the Company completed a follow-on public offering, issued 258,750,000 Class A ordinary shares for a total consideration of US$103.6 million after deducting the underwriting discounts and commissions and offering expenses.

As of December 31, 2024, the Company had 2,542,714,350 Class A ordinary shares and 97,611,722 Class B ordinary shares issued and outstanding, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 11. REDEEMABLE NON-CONTROLLING INTERESTS

On November 8, 2022, Beijing Xiangshang, one of the Company's consolidated VIE's subsidiaries, issued 31,875,000 Series Angel redeemable preferred shares ("Series Angel preferred shares") to external investors for an aggregate cash consideration of US$4,397,462, and US$4,356,074 proceeds were received upon the issuance. As of December 31, 2022, the outstanding US$43,496 was recorded as subscriptions receivable from redeemable non-controlling interests in the consolidated balance sheets. On March 20, 2023, the outstanding US$43,672 was received and transferred from subscriptions receivable to redeemable non-controlling interests in the consolidated balance sheets.

On April 7, 2023, Beijing Xiangshang, issued 11,250,000 Series Pre-A redeemable preferred shares ("Series Pre-A preferred shares") to external investors for an aggregate cash consideration of US$1,636,364.

The Series Angel and Pre-A preferred shares, which are redeemable by Beijing Xiangshang upon occurrence of certain events, are recorded as mezzanine equity in the consolidated balance sheets and consist of the following:

| | Series Angel preferred shares | Series Pre-A preferred shares | Total |
|---|---|---|---|
| | US$ | US$ | US$ |
| **Balance as of January 1, 2023** | **4,641,742** | **—** | **4,641,742** |
| Issuance of redeemable preferred shares of VIE's subsidiary | 43,672 | 1,636,364 | 1,680,036 |
| Accretion of redeemable non-controlling interests | 456,911 | 113,812 | 570,723 |
| Foreign currency translation adjustment | (135,054) | (50,787) | (185,841) |
| **Balance as of December 31, 2023** | **5,007,271** | **1,699,389** | **6,706,660** |
| Accretion of redeemable non-controlling interests | 495,503 | 168,166 | 663,669 |
| Foreign currency translation adjustment | (143,843) | (48,818) | (192,661) |
| **Balance as of December 31, 2024** | **5,358,931** | **1,818,737** | **7,177,668** |

The significant terms of the Series Angel and Pre-A preferred shares issued by Beijing Xiangshang are as follows:

*Voting rights*

The holders of preferred shares and ordinary shares shall vote together based on their shareholding ratio.

*Dividend rights*

No dividend, whether in cash, in property or in shares of Beijing Xiangshang, shall be paid on any other shares, unless and until a preferential dividend in cash and/or share is, in advance, paid in full on each preferred share.

If Beijing Xiangshang decides to pay dividends, the preferred shares holders shall be entitled to receive non-cumulative dividends of 10% of the consideration that they paid for the equity interests. After receiving all non-cumulative dividends, the preferred shares holders shall be entitled to receive, on a pro rata basis, out of any funds legally available therefor, remaining undistributed dividends.

*Liquidation Preference*

In the event of liquidation, the preferred shares holder, shall be entitled to receive, prior to the holders of ordinary shares, the relevant amount.

In the event of insufficient funds available to pay in full the preference amount in respect of each preferred shares, the entire assets and funds of Beijing Xiangshang legally available for distribution to the holders of the preferred shares shall be distributed on a pro rata basis among the holders in proportion to issued price.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 11. REDEEMABLE NON-CONTROLLING INTERESTS (Continued)

*Redemption Rights*

The holder of the preferred shares may require that Beijing Xiangshang redeem any or all of the outstanding preferred shares held by the holder with redemption price calculated on the agreed terms, if Beijing Xiangshang fails to complete a Qualified IPO before June 30, 2028, or under other pre-agreed redemption events.

The redemption price refers to the higher of the following:

(a) the result calculated by the following formula:
A*P* (1+10%^N) + B; (see Note below)
(b) the relevant value of the preferred shares to be redeemed which shall be determined by the audited net asset value of Beijing Xiangshang's most recent quarter-end consolidated financial statements

Note: In the formula above, A refers to the shares to be redeemed; P refers to corresponding original purchase price per share; N refers to the result calculated by dividing the days from the date the issuance of preferred shares to the completion of the redemption by 365; B refers to the profits declared but yet to be distributed with respect to the preferred shares to be redeemed.

*Accounting for redeemable non-controlling interests*

Redeemable non-controlling interests represent preferred shares financing by a consolidated VIE's subsidiary of the Group from preferred shareholders. As the preferred shares could be redeemed by such shareholders upon the occurrence of certain events that are not solely within the control of the Group, these preferred shares are accounted for as redeemable non-controlling interests. The Group accounts for the changes in accretion to the redemption value in accordance with ASC topic 480, Distinguishing Liabilities from Equity and recorded accretions on the preferred shares to the redemption value from the issuance dates to the earliest redemption dates.

## 12. FAIR VALUE MEASUREMENT

***Measured at fair value on a recurring basis***

The Company measures financial instruments held, at fair value, cash and cash equivalents, and long-term available-for-sale securities, on a recurring basis.

Most of the Company's financial instruments held, at fair value are classified as Level 1 since their fair value are determined based on the quoted market price. Some of the Company's financial instruments held, at fair value that are valued at quoted prices in less active markets are classified as Level 2. Investments in private equity funds are categorized as Level 3 since they are valued utilizing third-party pricing information without adjustment.

The Company classified its money market funds, which are presented in cash and cash equivalents due to high liquidity to be convertible to known amounts of cash and near maturity that they present insignificant risk of changes in value, as Level 1 since their fair value are determined based on the quoted market price.

The Group measured the fair value of its long-term available-for-sale securities using a market approach and considered those as Level 3 measurement because the Group used unobservable inputs to determine their fair values. The unobservable inputs used were discounts for lack of marketability for such market approach (ranging from 10% to 15%), and the observable inputs used were risk-free interest rates (ranging from 3.5% to 4.5%), as of December 31, 2023 and 2024. Significant increases or decreases in any of those inputs in isolation would result in a significant change in fair value measurement.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 12. FAIR VALUE MEASUREMENT (Continued)

***Measured at fair value on a recurring basis (Continued)***

As of December 31, 2023 and 2024, information about inputs for the fair value measurements of the Group's assets that were measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows:

| | As of December 31, 2024 | | | |
|---|---|---|---|---|
| | Quoted prices in active markets for identical instruments (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (level 3) | Total balance |
| | US$ | US$ | US$ | US$ |
| Financial instruments held, at fair value | | | | |
| Funds | 2,691,097 | 11,770,376 | 3,692,505 | 18,153,978 |
| Bonds | 54,418,366 | — | — | 54,418,366 |
| Stock | 2,270,679 | — | — | 2,270,679 |
| Others | 704,059 | — | — | 704,059 |
| Cash and cash equivalents | | | | |
| Funds | 4,023,182 | — | — | 4,023,182 |
| Long-term available-for-sale securities | — | — | 4,410,382 | 4,410,382 |
| **Total** | **64,107,383** | **11,770,376** | **8,102,887** | **83,980,646** |

| | As of December 31, 2023 | | | |
|---|---|---|---|---|
| | Quoted prices in active markets for identical instruments (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (level 3) | Total balance |
| | US$ | US$ | US$ | US$ |
| Financial instruments held, at fair value | | | | |
| Funds | 2,634,959 | 353,525 | 3,435,440 | 6,423,924 |
| Bonds | 418,077,123 | — | — | 418,077,123 |
| Stock | 3,014,507 | — | — | 3,014,507 |
| Others | 644,000 | — | — | 644,000 |
| Cash and cash equivalents | | | | |
| Funds | 6,428,256 | — | — | 6,428,256 |
| Long-term available-for-sale securities | — | — | 4,066,490 | 4,066,490 |
| **Total** | **430,798,845** | **353,525** | **7,501,930** | **438,654,300** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 12. FAIR VALUE MEASUREMENT (Continued)

***Measured at fair value on a recurring basis (Continued)***

During the years ended December 31, 2023 and 2024, there were no transfers between level 1, level 2 and level 3 categories.

The movements of Level 3 fair value measurements for the years ended December 31, 2023 and 2024 are as follows:

| | US$ |
|---|---|
| As of January 1, 2023 | **7,378,683** |
| Additions during the year | 1,000,000 |
| Net unrealized loss | (876,753 ) |
| As of December 31, 2023 | **7,501,930** |
| Additions during the year | — |
| Net unrealized gain | 600,957 |
| As of December 31, 2024 | **8,102,887** |

For the year ended December 31, 2023, the unrealized loss included US$450,325 recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss), and the unrealized loss US$426,428 recognized in other income in the consolidated statements of comprehensive income (loss). For the year ended December 31, 2024, the unrealized gain included US$343,892 recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss), and the unrealized loss US$257,065 recognized in other income in the consolidated statements of comprehensive income (loss). The Group recognized US$472,605, nil and nil impairment loss related to the long-term available-for-sale securities as an offset of other income for the years ended December 31, 2022, 2023 and 2024.

***Measured at fair value on a non-recurring basis***

The Group measures the equity securities without readily determinable fair value at fair value on a nonrecurring basis whenever there is an impairment indicator or any changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. There was no impairment loss related to the long-term equity securities without readily determinable fair value for the years ended December 31, 2023 and 2024.

The Group measured the value of its share options and restricted share units granted to employees and management at fair value to determine the share-based compensation expenses on each of the grant date. The fair value was determined using models with significant unobservable inputs (Level 3 inputs). Key inputs and parameters primarily include risk-free interest rate, expected stock price volatility, dividend yields, expected term, and forfeiture rates.

The Group measures goodwill at fair value on a nonrecurring basis and performs a goodwill impairment test annually or more often if event occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carry amount. The fair value of goodwill is determined using discounted cash flows, and an impairment loss will be recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill. The Group did not recognize any impairment loss related to goodwill during the years ended December 31, 2023 and 2024. The Group measured acquired intangible assets using the income approach-discounted cash flow method when events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. The Group did not recognize any impairment loss related to other intangible assets arising from acquisitions during the years ended December 31, 2023 and 2024. Key inputs and parameters primarily for the above impairment assessment include significant judgment and estimates by the management on future earnings, and discount rate.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 13. SHARE-BASED COMPENSATION

The Group implemented a share incentive plan in June 2014 (the "2014 Plan") which allows the Group to grant options and restricted share units to employees, directors and consultants of the Group. Under the 2014 Plan, the maximum aggregate number of shares that may be issued shall not exceed 187,697,314 ordinary shares.

In relation with the Re-domiciliation, the Company adopted the 2018 share incentive plan, which was approved by the board of directors of the Company to replace the previous 2014 share incentive plan created in June 2014. The terms of the 2018 share incentive plan are substantially the same as those under the 2014 share incentive plan, except that the number of options and restricted share units and exercise price were adjusted on a diluted basis in accordance to the shares number of the Company upon the Re-domiciliation. The awards granted and outstanding under the 2014 share incentive plan survived and remained effective and binding under the 2018 share incentive plan. In December 2018, the Board of Directors of the Company approved to expand the aggregate number of shares that may be issued to not exceed 254,697,314 ordinary shares.

In March 2019, the Group implemented the 2019 Performance Incentive Plan (the "2019 Plan"), which was approved by the board of directors of the Company to grant a maximum number of 52,000,000 ordinary shares under the 2019 Plan.

In December 2020, 10,429,305 treasury stock repurchased under the Share Repurchase Program were approved by the board of directors of the Company to increase the shares issuable under 2019 Plan from 52,000,000 shares to 62,429,305 shares.

In September 2021, 36,534,435 Class A ordinary shares issued under the evergreen plan were approved by the board of directors of the Company to increase the award pool under 2019 Plan from 62,429,305 shares to 98,963,740 shares.

In January 2023, 34,918,695 Class A ordinary shares issued under the evergreen plan were approved by the board of directors of the Company to increase the award pool under 2019 Plan from 98,963,740 shares to 133,882,435 shares.

In June 2024, 37,606,230 Class A ordinary shares issued under the evergreen plan were approved by the board of directors of the Company to increase the award pool under 2019 Plan from 133,882,435 shares to 171,488,665 shares.

***Share options***

The Company has granted service-based share options, which vest and become exercisable in three installments, with 50% of the total number of ordinary shares subject to such option becoming vested and exercisable on the second anniversary of the vesting commencement date, and 25% becoming vested and exercisable on each of the third and fourth anniversary of the vesting commencement date. The grant date of the share options is the vesting commencement date. The Company also has granted performance-based share options with performance conditions included semi-annual performance results and operating and financial results of the Company. The performance-based share options will commence to vest once the performance conditions are satisfied. Upon termination of employment, all the options that have not been vested will be forfeited. The terms of the options shall not exceed ten years from the date of grant. In addition, the Company has the right to purchase:

1. upon termination for death, disability or retirement, the employees' vested and/or exercised options at a price of 50% of the fair market value as of the latest practicable date prior to the termination, within 6 months from the employees' termination;

2. upon dismissal for cause, all the employees' vested and/or exercised option at a purchase price equals to the exercise price the employees paid to the Company;

3. upon other terminations of employment, the employees' vested and/or exercised option at a price of 30% of the fair market value as of the latest practicable date prior to the termination, within 6 months from the employees' termination.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 13. SHARE-BASED COMPENSATION (Continued)

***Share options (Continued)***

As the terms permit the Company to purchase these share options at an amount that is equal to or less than the fair value, the Company evaluates the classification for each award upon the occurrence of each employment termination. The termination of employees has been insignificant for all periods presented. As of December 31, 2023 and 2024, the share option award is classified as equity.

The Group calculated the estimated fair value of the options on the respective grant dates using the binomial-lattice option valuation model with the following assumptions for each applicable period which took into account variables such as volatility, dividend yield, and risk-free interest rate, the probability that the option will be exercised prior to the end of its contractual life, and the probability of termination or retirement of the option holder in computing the value of the option.

The fair value of the options granted was estimated on the date of grant that prepared by the management with the assistance of an independent third-party appraiser, and was determined using a binomial model with the following assumptions:

| | Fair value per ordinary share at grant date[(1)] | Exercise price[(2)] | Expected volatility[(3)] | Contractual life[(4)] | Risk-free interest rate[(5)] | Expected dividend[(6)] |
|---|---|---|---|---|---|---|
| | US$ | US$ | | | | |
| Granted in 2014 | 0.008 | 0.00001 | 40% | 10 years | 3.0-3.1% | 0.0 |
| Granted in 2015 | 0.008-0.016 | 0.00001 | 39% | 10 years | 2.5-3.1% | 0.0 |
| Granted in 2016 | 0.019-0.030 | 0.00001 | 39% | 10 years | 2.3-3% | 0.0 |
| Granted in 2017 | 0.034-0.059 | 0.00001-0.040 | 39% | 10 years | 3.0-3.2% | 0.0 |
| Granted in 2018 | 0.147-0.405 | 0.0001-0.200 | 35-38% | 10 years | 3.1-3.8% | 0.0 |
| Granted in 2019 | 0.274-0.484 | 0.00001-0.274 | 37-39% | 10 years | 3.0-3.4% | 0.0 |
| Granted in 2021 | 0.2184 | 1.1853 | 55% | 10 years | 0.88% | 0.0 |

(1) Fair value of underlying ordinary shares. Prior to the completion of initial public offering, the estimated fair value of the ordinary shares underlying the options as of the respective grant dates was determined based on a valuation with the assistance of a third party appraiser. The fair value of the underlying ordinary shares is determined based on the closing market price of the share after the completion of initial public offering in March 2019.

(2) Exercise price. The exercise price of the options was determined by the Company's Board of Directors.

(3) Volatility. The volatility of the underlying ordinary shares was estimated based on the historical share price movement of the comparable companies for the period of time close to the expected time to exercise.

(4) Contractual life. The contractual life of the share options was the period between the grant date and the expiry date.

(5) Risk free rate. Risk free rate is estimated based on market yield of U.S. Sovereign Curve with maturity close to the share options as of the valuation date, plus country spread.

(6) Expected dividend. The Company does not expect to declare any dividends in the foreseeable future.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 13. SHARE-BASED COMPENSATION (Continued)

***Share options (Continued)***

A summary of the Company's share option activities for the years ended December 31, 2023 and 2024 is presented below:

| | Number of share options | Weighted average exercise price | Weighted average remaining contractual life | Aggregate intrinsic value |
|---|---|---|---|---|
| | | US$ | Years | US$ |
| Outstanding as of January 1, 2023 | **28,431,196** | 0.03046 | 5.82 | 7,335,391 |
| Exercised | (2,323,795) | 0.03554 | | |
| Outstanding as of December 31, 2023 | **26,107,401** | 0.03001 | 4.83 | 7,243,680 |
| Exercised | (1,727,500) | 0.03112 | | |
| Outstanding as of December 31, 2024 | **24,379,901** | 0.02993 | 3.85 | 10,450,903 |

The aggregate intrinsic value is calculated as the difference between the exercise price of the awards and the fair value of the underlying ordinary shares at each reporting date, for those awards that had exercise price below the estimated fair value of the relevant ordinary shares.

The Group recognized share-based compensation expenses relating to the share options of US$1,238,963, US$612,686 and US$111,536 for the years ended December 31, 2022, 2023 and 2024, respectively. As of December 31, 2024, total unrecognized share-based compensation expenses relating to these share options was US$5,852,711. The expense is expected to be recognized over a weighted-average period of 3.8 years.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 13. SHARE-BASED COMPENSATION (Continued)

***RSUs***

On April 30, 2020, the Company cancelled 7,660,000 stock options and 900,000 RSUs granted historically, and granted 8,560,000 RSUs to employee on May 1, 2020. Those restricted shares vest over a period of 3 to 3.5 years. The cancellation of stock options and RSUs accompanied by the concurrent grant of a replacement RSUs is accounted for as a modification. The incremental share-based compensation of this replacement is US$0.8 million. Total amount of unrecognized share-based compensation of unvested options and RSUs and incremental share-based compensation is US$1.7 million.

A summary of the Company's RSU activities for the years ended December 31, 2023 and 2024 is presented below:

| | Number of Units | Weighted-Average Grant-Date Fair Value US$ |
|---|---|---|
| Unvested as of January 1, 2023 | **79,527,746** | 0.40 |
| Granted | 36,225,520 | 0.24 |
| Exercised | (29,165,983) | 0.43 |
| Forfeited | (5,954,634) | 0.42 |
| Unvested as of December 31, 2023 | **80,632,649** | 0.31 |
| Granted | 39,883,435 | 0.31 |
| Exercised | (29,344,005) | 0.33 |
| Forfeited | (5,292,247) | 0.30 |
| Unvested as of December 31, 2024 | **85,879,832** | 0.31 |

The Group recognized share-based compensation expenses relating to RSUs (including the expense upon modification) of US$12,636,643, US$9,435,333 and US$9,525,309 for the years ended December 31, 2022, 2023 and 2024, respectively. As of December 31, 2024, total unrecognized share-based compensation expenses relating to these RSUs was US$20,074,287. The expense is expected to be recognized over a weighted average period of 2.8 years.

The Group recognized tax benefit relating to the share-based compensation expense of share options and RSUs of US$1,666,221, US$936,732 and US$1,548,985 for the years ended December 31, 2022, 2023 and 2024, respectively.

**Other Share Incentive Plan**

In July 2022, Beijing Xiangshang granted share-based awards ("Xiangshang Plan") to eligible employees and non-employees of Beijing Xiangshang and other employees within the Group. The Xiangshang Plan consists of share options and restricted shares. The estimated fair value of each option grant is estimated on the date of grant using the binominal option-pricing model. The weighted average grant date fair value of options granted for the year ended December 31, 2024 was RMB0.0448 per share. For the year ended December 31, 2024, total share-based compensation expenses for the share options and restricted shares granted under Xiangshang Plan were US$100,055 (RMB720,031). As of December 31, 2024, there were US$14,316 (RMB103,017) of unrecognized share-based compensation expenses related to the share options and restricted shares granted. The expenses were expected to be recognized over a weighted-average period of 1.7 years.

UP FINTECH HOLDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in US$, except for share, per share data, or otherwise noted)

## 14. NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted net income (loss) per share for the following years:

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| **Numerator:** | | | |
| Net income (loss) attributable to ordinary shareholders of UP Fintech | (2,186,441) | 32,563,525 | 60,727,920 |
| The dilutive effect arising from the convertible bonds | — | 912,009 | 1,139,018 |
| Numerator for diluted net (loss) income per ordinary share | (2,186,441) | 33,475,534 | 61,866,938 |
| **Denominator:** | | | |
| Weighted average shares used in calculating net (loss) income per ordinary share | | | |
| Basic | 2,295,154,791 | 2,325,338,439 | 2,404,640,854 |
| Effect of dilutive securities: | | | |
| Dilutive effect of share options | — | 5,440,751 | 5,513,427 |
| Dilutive effect of restricted shares units | — | 26,325,143 | 41,932,200 |
| Dilutive effect of convertible bonds | — | 70,164,498 | 82,010,834 |
| Denominator for diluted net (loss) income per ordinary share | 2,295,154,791 | 2,427,268,831 | 2,534,097,315 |
| **Net (loss) income per ordinary share** | | | |
| Basic | (0.00) | 0.01 | 0.03 |
| Diluted | (0.00) | 0.01 | 0.02 |

## 15. TREASURY STOCK

On March 25, 2020, the Company's Board of Directors approved a share repurchase program. Under the terms of the approved program ("Share Repurchase Program"), the Company may repurchase US$20 million worth of its outstanding ADSs from time to time for a period not to exceed twelve months. As of December 31, 2023 and 2024, an aggregate of 10,429,305 ordinary shares under the Share Repurchase Program has been repurchased in the open market, with an average price of US$3.13 per ADS, or US$0.21 per share for a total consideration of US$2.2 million.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 16. RELATED PARTY BALANCES AND TRANSACTIONS

| Name | Relationship with the Group | As of December 31, 2023 | As of December 31, 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **Amounts due from related parties:** | | | |
| Alphalion Technology Holding Limited and its affiliates ("Alphalion Group") [1] | Long-term available-for-sale investee | 967,772 | 917,288 |
| Individual directors and executive officers [2] | Directors or officers of the Group | 7,019,984 | 15,803,383 |
| **Subtotal** | | **7,987,756** | **16,720,671** |

(1) The amount represents short-term, interest-free loans provided to Alphalion Group to facilitate its daily operational cash flow needs and prepaid IT service fee as of December 31, 2023 and 2024.

(2) The Group provided brokerage services and financing to its individual directors and executive officers and their spouses during its ordinary courses of business. The amounts represent receivables from directors and executive officers of the Group as of December 31, 2023 and 2024, respectively.

| Name | Relationship with the Group | As of December 31, 2023 | As of December 31, 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **Amount due to related parties:** | | | |
| Individual directors and executive officers [3] | Directors or officers of the Group | 10,148,142 | 874,331 |
| **Total** | | **10,148,142** | **874,331** |

(3) The amounts represent the cash account balance of directors and executive officers.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

**16. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)**

***Transactions with related parties:***

| Name | Relationship with the Group | For the years ended December 31, 2022 | 2023 | 2024 |
|---|---|---|---|---|
| | | US$ | US$ | US$ |
| Alphalion Group [4] | Long-term available-for-sale investee | (135,117) | (150,360) | (116,150) |
| Interactive Brokers LLC [5] | Under common control with a principal shareholder of the Company | 9,727,350 | — | — |
| Interactive Brokers LLC [6] | Under common control with a principal shareholder of the Company | (1,751,505) | — | — |
| Individual directors and executive officers [7] | Directors or officers of the Group | 147,662 | 1,501,351 | 1,402,815 |

(4) The amounts represent the purchase of IT services from Alphalion Group for the years ended December 31, 2022, 2023 and 2024, respectively.

(5) The amounts represent the commissions, financing service fees, interest income and other revenues earned from Interactive Brokers for the years ended 2021, and the period from January to March of 2022, respectively, netting off interest expense incurred from margin, security borrowing and lending business. Due to the resignation of the director assigned by Interactive Brokers in March 2022, Interactive Brokers LLC was no longer considered a related party since then.

(6) The amounts represent the execution and clearing fees paid to Interactive Brokers for the years ended December 31, 2021, and the period from January to March of 2022, respectively. Due to the resignation of the director assigned by Interactive Brokers in March 2022, Interactive Brokers LLC was no longer considered a related party since then.

(7) The amounts represent the commissions, interest income and interest expense from providing brokerage services and financing to the individual directors and executive officers during its ordinary courses of business for the years ended December 31, 2022, 2023 and 2024, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 17. COLLATERALIZED TRANSACTIONS

The Group accepted collateral in connection with client margin loans and security borrowing and lending transactions for consolidated account customers. The Group monitors required margin and collateral level on a daily basis in compliance with regulatory and internal guidelines and controls its risk exposure through financial, credit, legal reporting system. Under applicable agreements, customers are required to deposit additional collateral or reduce holding positions, when necessary to avoid forced liquidation of their positions. Pursuant to the authorization obtained from margin clients, the Group further repledges the collaterals to other financial institutions to obtain the funding for the margin transactions.

Margin loans are extended to customers on demand and are not committed facilities. Underlying collateral for margin loans is evaluated with respect to the liquidity of the collateral positions, valuation of securities, volatility analysis and an evaluation of industry concentrations. The Group's collateral policies minimize the Group's credit exposure to margin loans in the event of a customer's default.

For the Group's securities borrowing and lending transactions which require to deposit cash collateral with the securities lenders and receive the cash collateral from the borrowers, the cash collateral is generally in excess of the market value of the securities borrowed and lent. The Group monitors the market value of securities borrowed and lent on a daily basis, with additional collateral obtained or refunded as permitted contractually.

The following table summarizes the amounts related to collateralized transactions as of December 31, 2023 and 2024:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| **Total client margin asset** | **5,760,418,260** | **5,955,470,924** |
| Fulfillment of client margin financings | 46,720,095 | 98,569,380 |
| Fulfillment of client short sales | 58,876,336 | 63,012,727 |
| Securities lending to other brokers | 1,330,623,661 | 1,251,062,827 |
| **Total collateral repledged** | **1,436,220,092** | **1,412,644,934** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 18. Lease

***Operating leases***

The Group's leases consist of operating leases for corporate offices, data centers, and other facilities. The Group determines if an arrangement is a lease at inception. Some lease agreements contain lease and non-lease components, which the Group choose to account for as separate components. The allocation of the consideration between the lease and the non-lease components is based on the relative stand-alone prices of lease components included in the lease contracts. As of December 31, 2024, the Group had no long-term leases that were classified as a financing lease. As of December 31, 2024, the operating leases that have not yet commenced is immaterial. The arrangements of remaining lease terms are one year to four years. Total lease expenses for the year ended December 31, 2023 and 2024 was US$6,337,447 and US$5,688,809, which were recorded in occupancy, depreciation and amortization on the consolidated statements of comprehensive income (loss). The Group classifies operating lease payments as cash outflows for operating activities in the statement of cash flows. The Group presents the reduction in the carrying amount of the right-of-use assets and the change in operating lease liabilities as two adjustments to net income and changes in net assets in the reconciliation of net income to net cash flows from operating activities.

The following table presents balances reported in the consolidated balance sheets related to the Group's leases:

| | For the years ended December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Operating lease right-of-use assets | 9,067,885 | 10,880,673 |
| Operating lease liabilities | 8,911,017 | 10,056,251 |

The following table presents operating lease expenses and short-term lease expenses reported in the consolidated statements of comprehensive income (loss) related to the Group's leases:

| | For the years ended December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Operating lease expenses | 5,681,600 | 5,168,034 |
| Short-term lease expenses | 655,847 | 520,775 |

A summary of supplemental information related to operating leases is as follows:

| | For the years ended December 31, | |
|---|---|---|
| | 2023 | 2024 |
| | US$ | US$ |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows used in operating leases | 6,357,265 | 6,319,923 |
| Non-cash right-of-use assets in exchange for new lease obligations: | | |
| Operating leases | 1,021,178 | 6,748,032 |
| Weighted average remaining lease term: | | |
| Operating leases | 4 years | 4 years |
| Weighted average discount rate: | | |
| Operating leases | 5.3% | 4.8% |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 18. Lease (Continued)

***Operating leases (Continued)***

The following is a maturity analysis of the annual undiscounted cash flows for the annual periods ended December 31:

| | 2024 |
|---|---|
| | US$ |
| **Years ending December 31:** | |
| 2025 | 4,576,442 |
| 2026 | 3,958,840 |
| 2027 | 1,896,985 |
| 2028 | 325,244 |
| 2029 and after | — |
| Total undiscounted operating lease payments | 10,757,511 |
| Less: imputed interest | (701,260) |
| **Present value of operating lease liabilities** | **10,056,251** |

The terms of the leases do not contain contingent rents.

## 19. COMMITMENTS AND CONTINGENCIES

***Commitments***

The Company did not have any significant capital or other commitments, long-term obligations, or guarantees as of December 31, 2024.

***Contingencies***

In 2024, TradeUP Securities reached a resolution with FINRA regarding short interest positions and was fined US$300,000 for failing to submit the short interest reports between 2021 and 2023. TradeUP Securities consented to the findings that it failed to report its short interest positions and implemented new procedures to ensure the accuracy and timely submission of the reporting and updated its Written Supervisory Procedures Checklist to address short interest reporting requirements. Besides, in previous years FINRA concluded an examination of TradeUP Securities and US Tiger Securities and identified certain compliance concerns relating to anti-money laundering and other issues. In April 2025, the Group has reached a final settlement with FINRA with a fine of US$950,000.

According to ASC 450-20-25-2, an estimated loss from a loss contingency shall be accrued when information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements, and the amount of loss can be reasonably estimated. The management has concluded that the conditions in paragraph 450-20-25-2 have been met. As of December 31, 2023 and 2024, nil and US$900,000 provision has been made by the Group for the aforementioned potential loss contingency.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 20. REGULATORY REQUIREMENT

The Company's broker-dealer subsidiaries, TradeUP Securities, US Tiger Securities, Tiger Brokers SG, Tiger Brokers HK, and TBAU are subject to capital requirements determined by its respective regulators.

TradeUP Securities and US Tiger Securities, the Company's USA subsidiaries, are subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Exchange Act in the USA, which requires the maintenance of minimum net capital.

Tiger Brokers SG, the Company's Singapore subsidiary, is subject to the Securities and Futures Regulations 2018 (Amendment) under Chapter 289 of Securities and Futures Act in Singapore, which requires the maintenance of minimum net capital.

Tiger Brokers HK, the Company's Hong Kong subsidiary, is subject to Securities and Futures (Financial Resources) Rules and the Securities and Futures Ordinance, Tiger Brokers HK is required to maintain minimum paid-up share capital and liquid capital.

TBAU, the Company's Australia subsidiary, is subject to s912A(1)(d) of the Corporations Act 2001 in Australia, which requires the maintenance of minimum net capital.

As of December 31, 2023 and 2024, all of the Company's broker-dealer subsidiaries met applicable minimum net capital requirements. The tables below summaries the net capital, the capital requirement and the excess net capital for the Company's broker-dealer subsidiaries as of December 31, 2023 and 2024:

| | Net Capital | Requirement | Excess Net Capital |
|---|---|---|---|
| **December 31, 2024** | **US$** | **US$** | **US$** |
| TradeUP Securities | 204,825,441 | 22,789,455 | 182,035,986 |
| Tiger Brokers SG | 205,992,868 | 15,895,481 | 190,097,387 |
| Tiger Brokers HK | 58,838,395 | 11,686,213 | 47,152,182 |
| US Tiger Securities | 10,731,914 | 250,000 | 10,481,914 |
| TBAU | 4,227,660 | 256,115 | 3,971,545 |
| **Total** | **484,616,278** | **50,877,264** | **433,739,014** |

| | Net Capital | Requirement | Excess Net Capital |
|---|---|---|---|
| **December 31, 2023** | **US$** | **US$** | **US$** |
| TradeUP Securities | 158,727,445 | 11,128,558 | 147,598,887 |
| Tiger Brokers SG | 146,700,328 | 32,048,750 | 114,651,578 |
| Tiger Brokers HK | 21,565,377 | 3,878,298 | 17,687,079 |
| US Tiger Securities | 5,951,945 | 250,000 | 5,701,945 |
| TBAU | 2,165,288 | 174,997 | 1,990,291 |
| **Total** | **335,110,383** | **47,480,603** | **287,629,780** |

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 21. EMPLOYEE BENEFIT PLAN

Full time PRC employees of the Group are eligible to participate in a government-mandated multi-employer defined contribution plan under which certain pension benefits, medical care, unemployment insurance and employee housing fund are provided to these employees. The PRC labor regulations require the Group to accrue for these benefits based on a percentage of each employee's salary income. Total provisions for employee benefits were US$12,607,769, US$12,336,035 and US$13,424,115 for the years ended December 31, 2022, 2023 and 2024, respectively, reported as a component of salary and compensation expenses when incurred.

## 22. STATUTORY RESERVES AND RESTRICTED NET ASSETS

In accordance with the PRC laws and regulations, the Group's subsidiaries located 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 at each year-end (as determined under accounting principles generally accepted in China); 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 Group's subsidiaries, affiliated PRC entities and their respective subsidiaries. The Group's subsidiaries 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.

For the year ended December 31, 2024, Hangzhou U-Tiger made appropriation to these statutory reserve funds of US$751 due to the profit position, which did not reach the maximum required amount of 50% of its registered capital.

For the years ended December 31, 2023 and 2024, Beijing Yixin made appropriation to these statutory reserve funds of US$2,293,278 and US$3,895,554 respectively due to the profit position, which did not reach the maximum required amount of 50% of its registered capital.

For the years ended December 31, 2023 and 2024, Guangzhou U-Tiger made appropriation to these statutory reserve funds of US$46,134 and US$18,119 respectively due to the profit position, which did not reach the maximum required amount of 50% of its 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 Group's subsidiaries.

As a result of these PRC laws and regulations and the requirement that distributions by the PRC entities can only be paid out of distributable profits computed in accordance with the PRC GAAP, the PRC entities are restricted from transferring a portion of their net assets to the Group. Amounts restricted include paid-in capital and the statutory reserves of the Group's PRC subsidiaries.

The aggregate amounts of capital and statutory reserves restricted which represented the amount of net assets of the relevant subsidiaries in the Group not available for distribution were US$84,343,422 and US$87,801,080 as of December 31, 2023 and 2024, respectively.

**UP FINTECH HOLDING LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in US$, except for share, per share data, or otherwise noted)**

## 23. SEGMENT INFORMATION

Segments are business units that offer different services and are reviewed separately by the chief operating decision maker (the "CODM"), or the decision-making group, in deciding how to allocate resources and in assessing performance. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Group's Chief Executive Officer. The Group operates as a single operating segment which is providing online brokerage services to global customers based on its trading platform. The single operating segment is reported in a manner consistent with the internal reporting provided to the CODM.

The CODM uses consolidated net income (loss) in deciding whether to reinvest profits into certain parts of the business or return a portion of such profits to shareholders. The accounting policies of such single operating segment are described in the summary of significant accounting policies. The measure of segment profit or loss and assets is reported on the consolidated balance sheet and consolidated statements of comprehensive income (loss), although the CODM does not evaluate asset information for purposes of allocating resources or evaluating performance.

The Group primarily operates its business in the New Zealand, Singapore, and the United States for the years ended December 31, 2022, 2023, and 2024. The following table presents total revenues by geographic area for the years indicated.

The Intra-companies revenues have been eliminated in this geographic information to reflect the external business conducted in each geographic region. The geographic analysis presented below is based on the location of the subsidiaries in which the transactions are recorded. This geographic information does not reflect the way the Company's business is managed.

| | For the years ended December 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| | US$ | US$ | US$ |
| **Revenue** | | | |
| The Cayman Island | 2,589,817 | 3,620,687 | 3,080,147 |
| New Zealand | 116,254,749 | 117,335,988 | 147,197,358 |
| The United States | 27,816,835 | 71,919,756 | 124,712,788 |
| Singapore | 70,608,581 | 66,705,363 | 91,218,902 |
| Others | 8,095,565 | 12,925,801 | 25,332,234 |
| **Total Revenues** | **225,365,547** | **272,507,595** | **391,541,429** |

## 24. SUBSEQUENT EVENT

The Group evaluated events subsequent to the balance sheet date of December 31, 2024 through the date of issuance of the consolidated financial statements.

No subsequent event which had a material impact on the Group was identified through the date of issuance of the consolidated financial statements.

**Exhibit 8.1**

| | Date of incorporation or acquisition | Place of establishment/ incorporation | Percentage of legal ownership |
|---|---|---|---|
| ***Subsidiaries:*** | | | |
| Tiger Brokers (NZ) Limited ("TBNZ") | August 02, 2016 | New Zealand | 100% |
| Up Fintech International Limited ("Up International") | February 08, 2018 | Hong Kong | 100% |
| Tiger Brokers (Singapore) PTE Ltd. ("Tiger Brokers SG") | March 27, 2018 | Singapore | 100% |
| US Tiger Securities, Inc. ("US Tiger Securities") | March 30, 2018 | United States of America("USA") | 100% |
| Beijing Bohu Xiangshang Technology Co., LTD ("Beijing BHXS", "Beijing WFOE I") | May 17, 2018 | PRC | 100% |
| Beijing Xiangshang Yixin Technology Co., Ltd ("Beijing Yixin", "Beijing WFOE II") | July 26, 2018 | PRC | 100% |
| Trading Front Inc ("Trading Front") | August 01, 2018 | USA | 100% |
| Wealthn LLC ("Wealthn") | August 01, 2018 | USA | 100% |
| Kastle Limited ("Kastle") | October 15, 2018 | Hong Kong | 100% |
| TradeUP Securities Inc (US) ("TradeUP Securities") | July 12, 2019 | USA | 100% |
| Tradeup Inc. ("Tradeup") | October 10, 2019 | USA | 100% |
| Hangzhou U-Tiger Technology Co. LTD ("Hangzhou U-Tiger") | April 09, 2020 | PRC | 100%[1] |
| Tiger Fintech (NZ) Limited ("TFNZ") | May 17, 2021 | New Zealand | 100% |
| Tiger Services (AU) Pty Ltd ("Tiger Services AU") | August 27, 2021 | Australia | 100% |
| Tiger Brokers (AU) PTY Limited ("TBAU") | September 13, 2021 | Australia | 100% |
| Tiger Brokers (HK) Global Limited ("Tiger Brokers HK") | October 26, 2021 | Hong Kong | 100% |
| ***VIEs:*** | | | |
| Beijing Xiangshang Rongke Technology Co. LTD ("Beijing Rongke", "Ningxia VIE") | June 11, 2014 | PRC | Consolidated VIE |
| Beijing Xiangshang Yiyi Laohu Technology Group Co., LTD ("Beijing Yiyi", "Beijing VIE") | October 29, 2018 | PRC | Consolidated VIE |
| ***VIEs' subsidiaries:*** | | | |
| Beijing U-Tiger Network Technology Co., LTD ("Beijing U-Tiger Network") | April 20, 2016 | PRC | VIE's subsidiary |
| Beijing U-Tiger Business Service Co., Ltd ("Beijing U-Tiger Business") | April 21, 2016 | PRC | VIE's subsidiary |
| Beijing Zhijianfengyi Information Technology Co., Ltd ("Beijing ZJFY") | January 25, 2018 | PRC | VIE's subsidiary |
| Beijing Yixin Xiangshang Technology Co.,LTD ("Beijing Xiangshang") | September 05, 2018 | PRC | VIE's subsidiary |
| Guangzhou U-Tiger Technology Co., LTD ("Guangzhou U Tiger") | December 24, 2018 | PRC | VIE's subsidiary |

[1] Up Fintech International Limited owns 85% percentage of the shares of Hangzhou U-Tiger, and the holder of the remaining 15% has pledged its voting interest to Up Fintech International Limited, which as a result controls 100% of the voting power of this entity.

**Exhibit 11.2**

**Inside and Confidential Information Management Policy**

(This Policy is applicable to Up Fintech Holding Limited and all its affiliated entities within the scope of its consolidated financial statements)

**Table of Content**


| | | |
|---|---|---|
| **Section 1 Overview** | | **3** |
| **Section 2 Definitions** | | **3** |
| 2.1 | Confidential Information | 3 |
| 2.2 | Inside Information | 3 |
| 2.3 | Proprietary Information | 4 |
| 2.4 | Insider Dealing and Tipping | 5 |
| **Section 3 Operation of Chinese Walls and Information Barriers** | | **5** |
| 3.1 | General | 5 |
| 3.2 | Employees above the Wall | 5 |
| 3.3 | Support Areas | 6 |
| **Section 4 Enforcement of Chinese Walls and Information Barriers** | | **6** |
| 4.1 | Safeguarding Inside and Confidential Information | 6 |
| 4.2 | Avoiding Insider Tipping of Inside Information | 7 |
| 4.3 | Wall Crossing Procedures | 7 |
| 4.4 | The Watch List and Restricted List | 7 |
| 4.5 | Monitoring The Walls | 7 |
| **Section 5 Wall Crossing Procedures** | | **7** |
| 5.1 | Bringing Public Side Employees Over the Wall | 7 |
| 5.2 | Wall Crossing Exceptions | 9 |
| 5.3 | Inquiries on A "No-name" Basis | 9 |
| 5.4 | Inadvertent Wall Crossing | 9 |
| 5.5 | Providing Confidential Information to External Parties | 10 |
| 5.6 | Wall-crossing Required by External Parties | 10 |
| **Section 6 Watch List** | | **10** |
| 6.1 | The Purpose and Use of the Watch List | 10 |

| | | |
|---|---|---|
| 6.2 | Sources of Watch List Information | 10 |
| 6.3 | Removing From the Watch List | 11 |
| **Section 7 Restricted List** | | **11** |
| 7.1 | Purpose and Distribution of The Restricted List | 11 |
| 7.2 | The Restricted List | 11 |
| 7.3 | Restricted List Prohibitions | 11 |
| 7.4 | Exceptions to The Restricted List | 11 |
| **Section 8 Proprietary Information** | | **12** |
| 8.1 | "Need to Know" Principle | 12 |
| **Section 9 Trading Restrictions** | | **12** |
| 9.1 Employee Trading | | 12 |
| 9.2 Trading by Entities within the Group | | 12 |
| **Section 10 Training and Certification** | | **13** |
| **Section 11 Consequences of Violation** | | **13** |
| **Appendix I – Notice of Wall Crossing (Sample Memo)** | | **14** |
| **Appendix II – Project Recording Form (Sample)** | | **15** |

**Exhibit 11.2**

## Section 1 Overview

1.1 The Inside and Confidential Information Management Policy (the "**Policy**") governs the handling of inside and confidential information entrusted to Up Fintech Holding Limited and all its affiliated entities within the scope of its consolidated financial statements (collectively, the "**Group**") by its clients and from sources within the Group. This Policy is designed to guide all employees, senior management and directors (collectively, "**employees**") of the Group in handling information in the utmost professional manner and to protect the Group and its employees from civil or criminal prosecution as a result of the misuse of inside and confidential information.

1.2 The Policy sets out the minimum standards for the Group. Entities that hold financial licenses or qualifications within the Group (hereinafter referred to as "**Licensed Entities**") shall adopt this Policy with adaptation to any local regulatory requirements. As legal requirements and prevailing standards evolve, the Policy may be updated as necessary. This Policy cannot be written broadly enough to cover all potential situations involving the proper flow of information. In this regard, employees are expected to adhere to not only the terms prescribed in this Policy, but also the spirit of the Policy. In the event an employee is unsure whether a contemplated action conforms to the requirements or spirit of the Policy, the employee should always consult the Group Legal & Compliance Department first.

## Section 2 Definitions

### 2.1 Confidential Information

2.1.1 In the course of performing their daily responsibilities, employees may obtain non-public information related to the Group's businesses or clients (i.e., Group proprietary information or client information) ("**Confidential Information**"). Employees may not, during their employment or a period of time thereafter, disclose confidential information, regardless of the source of the information.

2.1.2 Employees should assume that all information obtained in the course of their employment is not public (i.e., confidential information) unless the information has been publicly disclosed by means of press release, wire service, newspaper, proxy statement, prospectus, or in a public filing made with a regulatory agency or is otherwise available from public disclosure services.

2.1.3 Confidential information may only be disclosed internally on a "need to know" basis. A "need to know" may exist where disclosure to the intended recipient is either (i) in the interests of the client for or from whom the information has been obtained; and/or (ii) to facilitate the proper functioning of the Group. All employees are required to consult the Group Legal & Compliance Department if they are not sure whether the information in their possession is public or confidential, or whether it is permissible to disclose or use such information.

### 2.2 Inside Information

2.2.1 For purposes of this Policy, "**inside information**" is defined as material, nonpublic information relating to the securities, business, or financial conditions of a corporation, public entity or other issuer of securities. Nonpublic information is "material" when the disclosure of the information would have an impact on the market price of the securities involved or if it is likely that a reasonable investor would consider the information important in making an investment decision. Information may be (i) material to one issuer, but not to another; (ii) material to certain securities of an issuer but not material to all securities of that issuer (e.g., to equity, but not to debt); and (iii) material to certain other securities within the same sector as the affected security. Information is considered as non-public unless it has been publicly disclosed. The definition of

inside information may vary in different regions and employees should consult the Group or local Legal & Compliance Department to determine whether the information they possess constitutes inside information under their regional securities laws or regulations. Public side employees who believe that they are in possession of material, nonpublic information should immediately contact the Group or local Legal & Compliance Department.

2.2.2 Examples of inside information may encompass the following events and circumstances, whether they have already occurred or are still in the proposal stage, and could potentially transpire in the future:

(1) Transactions such as contests for corporate control, refinancing, tender offers, recapitalizations, leveraged buy-outs, acquisitions, mergers, restructuring or purchases or sales of assets;

(2) Dividend increases or decreases;

(3) Earnings or earnings estimates and changes in previously released earnings or earnings estimates;

(4) Offerings of securities by private or public entities, including plans to offer securities, cancellations of planned offering and changes in the timing or terms of offerings;

(5) Transaction by a company relating to its own securities, including share repurchase program and derivatives transaction;

(6) Write-down of assets;

(7) Expansion or curtailment of operations;

(8) Increases or declines in amounts of orders;

(9) New products, discoveries and inventions;

(10) Borrowing and charges to reverse for bad debts;

(11) Actual or threatened litigation;

(12) Liquidity problems;

(13) Financing needs;

(14) Management developments;

(15) Changes of ratings of debt securities;

(16) Investigations or actions by government or regulatory authorities; and

(17) Other events that will affect the financial markets or a particular industry in a significant way.

2.2.3 The above examples are not all-inclusive, and there are other types of information, events, or circumstances, which may constitute inside information.

**2.3 Proprietary Information**

2.3.1 Most of the information possessed by employees is proprietary to the Group. Proprietary information includes but is not limited to (i) unpublished research information, opinions, and recommendations; and (ii) information relating to the Group's proprietary trading activity, security positions, investment strategies, customer orders or activities. To protect the Group's interests, employees should keep proprietary information confidential unless the disclosure of such information has been approved by Group management. In addition, if an employee is unsure whether the use of Group proprietary information is for proper business purposes, the employee should always consult the Group Legal & Compliance Department.

**2.4 Insider Dealing and Tipping**

2.4.1 It is a violation of the relevant securities laws and regulations to purchase or sell, or to induce or recommend to another person to purchase or sell, a security while in possession of inside information. Trading while in possession of inside information is known as "insider dealing" or "insider trading". Disclosing such information to others who then trade on the information is known as "insider tipping".

## Section 3 Operation of Chinese Walls and Information Barriers

**3.1 General**

3.1.1 The Group has implemented Chinese Walls throughout the Group in varying degrees and for various purposes. To manage different types of material non-public information ("**MNPI**") within the Group, Chinese Walls separate private side businesses from public side businesses.

3.1.2 Private side employees refer to employees who have routine or ongoing access to MNPI. Employees classified as private side are restricted from personal and firm trading in securities for which they have MNPI. In effect, once classified as private side, the employees are deemed as possessing MNPI. In this Policy, private side employees include those from departments involved in investment banking business.

3.1.3 Public side employees are employees that generally do not have access to MNPI on a routine basis. If private project requires the cooperation from the public side employees, or in the case where public side employees need to obtain certain access/ information from the private project, that employee is supposed to be reported to Control Room to apply for Wall Crossing. After the public side employees are brought over the wall, they will be deemed as private side employees and thus are required to comply with the trading restrictions until the information they obtained from the private project has been publicly disclosed by means of press release, wire service, newspaper, proxy statement, prospectus, or in a public filing made with a regulatory agency or is otherwise available from public disclosure services.

3.1.4 Public side business areas should have a certain degree of physical separation from private side business areas. If the Group plans to relocate an existing department or set up a new department, please consult the Group Legal & Compliance Department to ensure proper physical placement, security controls and information technology infrastructure.

3.1.5 The primary purpose for implementing Chinese Walls and separating public side/private side is to ensure public side employees acting upon public information (e.g., conducting trades or publishing research reports based on public information) are not exposed to any private side information without first obtaining the requisite approvals. Additional information barriers may exist within private side and public side businesses to ensure that inside information is only accessed by employees who have a bona fide need to know. In some instances, certain business areas may conduct both private side and public side business simultaneously. Moreover, the Group may also designate certain business areas for private side's use. In those situations, the Group may implement additional information barriers and procedures to monitor the flow of information between the private side business and the public side business.

3.1.6 In certain situations, the Group may also implement information barriers designed to prevent the flow of information between certain affiliated companies within the Group to ensure that the voting and investing powers of those entities are exercised independently. Restricting the flow of certain type of information may also prevent violations of certain securities laws and other regulatory initiatives.

**3.2 Employees above the Wall**

3.2.1 Under some special circumstances, certain MNPI is allowed to be provided on a

need-to-know limited basis without going through the over-the-wall process, to those that can be classified as "above-the-wall" employees. Certain employees within the Group, such as members of senior management, legal, compliance, finance and internal audit, may obtain inside information from employees involved in various businesses from both the public and private sides of the Chinese Wall when performing their overall management or routine duties. As a result, these employees are designated as being "above" the Chinese Walls ("**above-the-wall employees**"). Although above-the-wall employees may not participate in specific sales, trading or research decisions, they may manage or affect other employees who directly supervise those activities. Above-the-wall employees must recognize that when they are in possession of inside information or MNPI, they are obligated to ensure that such information is not conveyed to other employees.

### 3.3 Support Areas

3.3.1 Employees from supporting functions (e. g., operational, technological support) within the Group generally belong to the public side employees and should not be given access to inside information unless they have a bona fide "need to know". The employees supporting the Group's businesses shall adhere to requirements related to the businesses they support in this Policy. Employees with any doubt as to whether themselves and relevant information are subject to such restrictions should immediately contact the Group Legal & Compliance Department.

## Section 4 Enforcement of Chinese Walls and Information Barriers

### 4.1 Safeguarding Inside and Confidential Information

4.1.1 Employees must exercise extreme care to avoid disclosing inside and confidential information. In order to do so, employees must adhere to the basic standards of performance in their jobs. Examples of these standards include, but are not limited to the following:

(1) Inside and confidential information may not be disclosed to any person who is on the other side of the wall or is an external party, except as in accordance with the Group's Wall Crossing procedures or as approved;

(2) Employees working on public areas, trading floors or other shared workspaces should exercise particular caution and should only discuss inside and confidential information in non-public areas such as conference rooms;

(3) Documents containing inside and confidential information must be safeguarded and not be in plain view;

(4) Documents containing inside and confidential information must be kept locked in drawers or cabinets;

(5) Documents containing inside and confidential information must be safeguarded when such documents are taken outside the office;

(6) Documents containing inside and confidential information must not be left in conference rooms;

(7) Inside and confidential information should not be discussed in public areas where conversations may be overheard;

(8) Computer terminals used or involved in office activities should be promptly locked off and not left unattended overnight or for extended periods of time;

(9) Information used or involved in office activities such as "log-in" or "password" should not be disclosed to others; Visitors should not wander unescorted or without approval through Group's premises;

(10) Code names should be used when inside and confidential documents are being prepared or distributed;

(11) Documents containing inside and confidential information should be shredded when such documents are superseded or no longer necessary or required;

(12) Copying of documents containing inside and confidential information should be limited and distributed to employees on a need-to-know basis only.

**4.2 Avoiding Insider Tipping of Inside Information**

4.2.1 Employees will ordinarily obtain inside information from a client in connection with services being provided by the Group to the client. Employees may also receive "tips" of inside information, which are generally defined under the securities laws as a selective disclosure of inside information by a corporate insider where the insider expects to receive some form of quid pro quo or personal or monetary benefit by conveying the information. Employees should be particularly on guard for instances of suspecting "tipping" and should promptly report such behavior to their immediate supervisor and the Group Legal & Compliance Department.

**4.3 Wall Crossing Procedures**

4.3.1 The Group has adopted wall crossing procedures to restrict the flow of inside and confidential information. Please see section below for details.

**4.4 The Watch List and Restricted List**

4.4.1 The Group utilizes a highly confidential Watch List of certain companies that the Group is serving and about which the Group may possess inside information. The Watch List is used to conduct surveillance of trading activity and research product to ensure that the information barriers are functioning properly. The contents of the Watch List are known only to a limited number of employees (e.g., the Compliance Department – Control Room) and no attempt should be made by any of other employees to determine what companies are on the Watch List.

4.4.2 The Group also maintains an internal list of restricted companies referred to as the Restricted List. The Restricted List is designed to prevent the misuse of or the appearance of misuse of inside information by limiting the activities of the Group relating to the restricted companies for a finite period. The Restricted List is used when securities laws, regulations or Group policy prohibits the Group from engaging in certain types of solicitations and trading before/after a transaction becomes public. Such limitations depend on (i) when the inside information possessed by the Group is publicly disseminated; and (ii) the amount of time necessary for the financial markets to absorb the information.

**4.5 Monitoring The Walls**

4.5.1 As part of its responsibilities, the Group Legal & Compliance Department, where appropriate, may make inquiries and/or conduct investigations into the safeguarding and misuse of inside and confidential information. The Group Legal & Compliance Department will document any investigations it undertakes, including, as appropriate the name of the company, the dates of the investigation, the identity of the employees involved, the identity of any counterparties to transactions, and a summary of the disposition of the investigation.

**Section 5 Wall Crossing Procedures**

**5.1 Bringing Public Side Employees Over the Wall**

5.1.1 Before or during business operation, employees on the private side of the wall may need to solicit the expertise and advice of an employee on the public side of the wall. The private side employee must carefully consider whether the need to disclose the information to the public side employee outweighs the risks and consequence of bringing him or her over the wall (including the

fact that the transaction activities of the person brought over the wall will be limited after receiving inside information).

5.1.2 When any employee on the public side is brought over to the private side, herein referred to as being brought "over the wall", the following procedures must be followed.

5.1.3 Before bringing the public side employee over the wall, the private side employee must specify the department, e-mail address, the role that the public side employee takes in the project and the date when public side employee joined the project while filling out the Project Recording Form (see Appendix II), whereby the project turns into a Wall Crossing Project. The Project Recording Form shall contain the following information:

(1) Project Code

(2) Project Start Time

(3) Project End Time (Expected)

(4) Project Type

(5) Chinese Full Name of the Involved Company

(6) English Full Name of the Involved Company

(7) Stock Code

(8) Involved Entity

(9) Project Role

(10) Name of Project Participants, Department, E-mail Address, the Role Taken in the Project and Date of Joining the Project

(11) Whether the Project Has Involved External Parties

(12) Any Non-Disclosure Agreement Signed with External Parties

5.1.4 After the private side employee submitting the Project Recording Form to the Compliance Department – Control Room for record, Control Room will then send out a Wall Crossing Notification Email (see Appendix I) to the public side employees for approval. The public side employee should confirm by a return email or click the confirm button in the email that he or she understands and agrees with the notice conditions before accessing the project information, otherwise, the public side employee shall promptly inform the corresponding employees of private side or control room.

5.1.5 When bringing a public side employee over the wall, the private side employees should preface the conversation by cautioning that they wish to provide certain information that will bring the public side employee "over the wall". If the public side employee / private side employee is unsure whether they should be provided with/ provide the inside information, the conversation should be terminated before any information is disclosed, and the supervisors of the private side and the public side employees, as well as the Group Legal & Compliance Department, should be promptly notified. Once over the wall, the public side employee will be treated similarly to any other employee on the private side of the wall. The wall-crossed employee must treat and safeguard any inside information conveyed to him or her as set forth in this Policy and other procedures implemented by the Group. In particular, the wall-crossed employee is prohibited from trading in, writing research articles/reports or advising about, or communicating information about any securities or companies with respect to which the information is relevant. If the wall-crossed employee works in public areas or shares workspaces such as a trading desk, he or she must be especially careful in the use and treatment of inside information. Disclosure of inside information to the wall-crossed employee should be limited to information that is necessary to accomplish the purpose of bringing the employee over the wall. Disclosure of non-essential information to the wall-crossed employee, such as long-term transactions or information that will not become public during

the project, could result in restrictions being placed on the activities of the wall-crossed employee for an indefinite period of time. After the private side project is officially closed, the initiator of the project is required to promptly notify the Control Room. The Control Room will proceed with follow-up monitoring work and notify the employee brought over the wall when he or she is released from the private side of the wall. The Control Room will maintain the approved Project Recording Forms.

5.1.6 In the case where employees from Licensed Entities participate in projects initiated by employees from non-Licensed Entities of the Group, it is also required to bring these Licensed Entities' employees over the wall as if they were on the public side in accordance with the above process before any inside information may be disclosed to them. After receiving the Wall-Crossing application, Control Room will also notify the compliance officers of each relevant Licensed Entity for follow-up monitoring and controlling process. Participants from Licensed Entities are also required to comply with their local confidential policy.

**5.2 Wall Crossing Exceptions**

5.2.1 In the case where a public side employee (e.g., Customer Service employee) has access to confidential information passively in the course of ongoing communications with customers who have inside information, processing large customer orders or processing institutional investor information, the public side employee shall inform the Control Room and initiate the Wall-Crossing process Once the Wall-Crossing process is initiated, the public side employee will be treated as a private side employee and should be subject to this Policy strictly.

5.2.2 In principle, communication between private side employees and public side employees are not precluded by this Policy with respect to public information. In fact, it may be in a client's best interest for private side employees to discuss given situations with public side employees who may be able to contribute useful public information to the client. Public side employees, such as those in sales or trading may offer a detailed analysis or perspective of publicly available information (e.g., concerning a client, its securities, or the market).

**5.3 Inquiries on A "No-name" Basis**

5.3.1 At times the private side employee may wish to consult the public side employee on a "no-name" basis (for example, by making a request for information but not disclosing the name of the client or other client identifying information, thus generally will not result in bringing the public side employee over the wall). This procedure is permitted only when there is no reasonable possibility that the public side employee would be able, by the nature of the inquiry, to determine the identity of the client or the substance of the inside information. In certain smaller or more defined markets or areas of business, private side employees must be particularly careful that the inquiries do not disclose signal to the public side employee the identity of the client or the substance of the inside information. If there is any reasonable possibility that this would occur, the public side employee should be brought over the wall in accordance with the procedures set forth above.

**5.4 Inadvertent Wall Crossing**

5.4.1 In certain occasions, if an employee believes he or she has learned inside information other than in the ordinary course of business nor under the Wall Crossing Procedures as set out herein, such employee must immediately contact the Control Room. Such employee is said to be inadvertently brought over the wall, e.g. receiving inside information when meeting with company management in company visits or receiving inside information from a source unconnected with the daily routine work, such as social contacts. If the Control Room determines that the public side individual has received inside information, they will issue a Notice of Wall Crossing (see Appendix I) to advise the individual of their insider obligations. Such wall crossing details should be recorded in the Wall Crossing Log.

5.4.2 Retrospective approval is not required but the Control Room should notify the supervisors of

the wall-crossed employee.

### 5.5 Providing Confidential Information to External Parties

5.5.1 On some occasions, employees may need to get in touch with external parties and provide confidential information. Before disclosing confidential information to external parties, employees should consider whether it is necessary for external parties to know this information, the possibility of external parties trading on this information and whether the disclosure of such information is prohibited or restricted by applicable law. Additionally, employees shall require external parties to sign a written Non-Disclosure Agreement to restrict behaviors such as sharing, disclosing, and trading on such confidential information by external parties or their employees, advisors and other representatives. Only after the Non-Disclosure Agreement is signed can the employee provide the confidential information to the external parties. If employees have any difficulties in making the above evaluations, they shall consult the Group Legal & Compliance Department in time.

### 5.6 Wall-crossing Required by External Parties

5.6.1 In certain occasions, employees may need to receive inside information from external parties. Employees should seek approval from Control Room before agreeing on wall crossing as requested or required by external parties or accepting any wall crossing conditions as provided by such external parties. Control Room would take follow up actions on recording and monitoring of such external wall-crossing requirements. Control Room should issue a Wall Crossing Notification (Appendix I) to advise the public side employees of their insider obligations. Wall Crossing Procedures can be found in Section 5. Wall crossing information should be recorded in the Wall Crossing Log by the Control Room.

## Section 6 Watch List

### 6.1 The Purpose and Use of the Watch List

6.1.1 The Watch list is a highly confidential list of companies maintained by the Compliance Department – Control Room for the purpose of monitoring the enforcement of Chinese Walls and Information Barrier. The Watch List may not be discussed, copied, or distributed to any person without the prior approval of the Group Legal & Compliance Department.

### 6.2 Sources of Watch List Information

6.2.1 The Group may receive inside information from its capital markets business. Also, individual employees in the course of their duties may become aware of inside information. It is the responsibility of employees to promptly notify the Control Room if they come into possession of inside information about a company, including, but not limited to, the following circumstances:

(1) The Group company is considering participating in or has agreed to participate in an offering of securities, a distribution of securities or loans prior to a public announcement;

(2) The Group company has discussions concerning a possible investment banking assignment (such as a refinancing, financing, restructuring, tender offer, merger, acquisition, leverage buy-out, contest for corporate control, or purchase or sale of substantial assets);

(3) An employee has received or disclosed inside information in breach of the Group's Chinese Walls and Information Barrier procedures: and

(4) Any other situation where the Group has received inside information and where the information may be disseminated outside of a single business unit within the Group, other than on a "need to know" basis.

6.2.2 If there is any doubt as to whether certain information constitutes inside information (for the purposes of determining whether to include relevant companies on the Watch List), the employee must consult the Control Room. The decision to include a company on the Watch List is ultimately the responsibility of the Control Room.

**6.3 Removing From the Watch List**

6.3.1 The employee who notifies the Control Room to add a company to the Watch List is responsible for promptly informing the Control Room when a company should be removed from the Watch List. Generally, the removal of a company from the Watch List is warranted when the information possessed by the Group is no longer deemed material or non-public in nature or when it has aged to the point where it is no longer relevant. Removal of a company from the Watch List is also warranted when the Group is no longer involved in the deal or when the probability of a transaction occurring is no longer high enough for the Compliance Department to continue monitoring relevant activities.

## Section 7 Restricted List

**7.1 Purpose and Distribution of The Restricted List**

7.1.1 The Restricted List is a confidential list of companies in connection with which certain restrictions apply in handling customer orders, trading for proprietary accounts, trading for employee and employee-related accounts, and other activities.

**7.2 The Restricted List**

7.2.1 The Control Room will update the Restricted List and applicable restrictions (e.g., REG M restriction) at times based on project reporting and relevant regulatory requirements. The Control Room will notify all employees via email of any changes to the Restricted List.

**7.3 Restricted List Prohibitions**

7.3.1 Prior to soliciting a purchase or sale or placing an order for the purchase or sale of securities, employees should check the Restricted List to determine whether the securities of the company have been restricted. If a company is listed on the Restricted List, the following activities in the securities of the company are typically prohibited:

(1) Proprietary trading;

(2) Solicitation of customer orders and any recommendation to buy, sell, or hold the company's securities;

(3) Transactions for any employee or employee-related account; and

(4) The release of research information, recommendations, or opinions.

7.3.2 A company may be placed on the Restricted List for various reasons which may not be disclosed and no inferences should be drawn as to a company’s inclusion on the Restricted List.

**7.4 Exceptions to The Restricted List**

7.4.1 The Control Room may grant exceptions on a case-by-case basis.

## Section 8 Proprietary Information

Employees may not use proprietary information for their own benefit and may not disclose it to any person inside or outside of the Group, except for the use or disclosure of information in the course of their authorized job responsibility. Information pertaining to customer orders, activities, and finances is confidential. In providing this information to the Group, customers generally have an expectation that (a) neither the Group nor their employees will use information for their own benefit (for example, by "frontrunning"), and (b) the Group and their employees will maintain the confidentiality of the information.

### 8.1 "Need to Know" Principle

8.1.1 As a general rule (with certain exception, see below), proprietary and confidential information, whether or not pertaining to a client or the Group, should never be communicated to anyone other than employees of the Group who have a legitimate "need to know" and where appropriate, to the participants involved in a specific transaction. In addition, such information should only be communicated within the Group and to the consultants/ cooperators (such as external legal counsels and accountants), if the recipient has a legitimate "need to know".

8.1.2 Judgments as to who "needs to know" about a particular transaction or information about a client will depend on the facts and circumstances and in most cases will be made by the supervisor assigned to the transaction or client. Justification for communicating proprietary or confidential information DOES NOT exist simply because the information is helpful to another person in activities which are unrelated to the transaction or client for which the information was obtained. Examples of others within the Group who may need to know include member of Senior Management, finance, legal, compliance, and internal audit.

8.1.3 In the event that proprietary or confidential information is shared on a "need to know" basis, the recipient of such information should be advised of its proprietary or confidential nature, that it is given solely for the purpose of fulfilling his or her responsibilities in connection with the client or proposed transaction and that it is not to be disclosed in any other form to any other person.

## Section 9 Trading Restrictions

Entities within the Group and employees of the Group who wish to trade in financial products are required to comply with all applicable laws, regulations and requirements from regulatory authorities relating to the trading of financial products, in addition to meeting the following requirements:

### 9.1 Employee Trading

9.1.1 Employee trading shall be subject to the requirements and restrictions set out in the Group's Employee Trading Management Policy.

### 9.2 Trading by Entities within the Group

9.2.1 UP Fintech Holding Limited and all affiliated entities within the scope of its consolidated financial statements are required to report to Control Room before conducting any transactions (including but not limited to purchases, sales and repurchases, etc.) and/or other operations (including but not limited to mortgages/pledges, gifts/donations and seasoned equity offerings, etc.) related to TIGR Financial Products (as defined in the Employee Transaction Management Policy), and shall be subject to the applicable procedures required (for example, approval by the Board of Directors and/or senior management) within the entity and the trading window period (if applicable).

9.2.2 UP Fintech Holding Limited and all its affiliated entities within the scope of its consolidated financial statements are required to comply with the Restricted List when conducting proprietary trading (including but not limited to purchases and sales, etc.) related to Other Financial Products (as defined in the Employee Trading Management Policy), and shall be subject to the applicable procedures required within the entity.

## Section 10 Training and Certification

10.1 To ensure employees are familiar with the Group's Policies and Procedures Governing Inside and Confidential Information, the Group has established the following procedures:

(1) Employees receive the policies and procedures upon hiring and certify their receipt and understanding;

(2) When procedures or policies are revised, employees will be notified;

(3) The Group includes the subject of insider trading in their annual compliance training; and

(4) Employees are required to annually certify their knowledge of and compliance with the Group's policies.

## Section 11 Consequences of Violation

11.1 Violations of this Policy will be treated with the utmost seriousness and will subject the employee to disciplinary actions. Such actions may include, but are not limited to, the imposition of severe sanctions, including the termination or suspension of employment, the placement of employees on leave or substantial changes in an employee's duties and responsibilities. Employees may also be placed on leave pending investigations into whether he or she has violated the Policy.

**Exhibit 11.2**

**Appendix I – Notice of Wall Crossing (Sample Memo)**

Subject: [Wall Crossing Notification – Project Name] or [Inadvertent Wall Crossing]

Dear Recipient,
Expiration Date: To Be Notified by Control Room Effective Date:

While in possession of inside information, the wall crossed individuals MUST NOT:

(1) Trade in or make trading decisions in personal account, company house account or discretionary client account in all securities of an issuer to which the inside information directly relates, including equity, debt, convertibles, options and other derivative securities and, advise or solicit others in trading or refrain to trade in any other securities of such issuer;

(2) Issue research report (other than permitted pre-deal research), distribute commentaries or any other communications referencing the issuer and its securities to others who are not involved in the transaction;

(3) Alert others who are not involved in the transaction on the imminent transaction nor discuss the issuer;

(4) Share the inside information with others outside the deal team without going through appropriate procedures;

(5) Notify clients of your wall crossed status, discuss or comment on the reason for cannot discuss the subject company; and

(6) Engage in any other activities that are subject to conflicts of interest while in possession of such inside information.

You should adhere to the Inside and Confidential Information Policy. Please reply to this email or choose *Confirm* through the *VOTE button* for your confirmation. If any doubt, please kindly consult the Control Room (controlroom@itiger.com) of Legal and Compliance Department.

Thank you for your attention.

With regards,
Tiger Group Legal and Compliance Department – Control Room

**Exhibit 11.2**

**Appendix II – Project Recording Form (Sample)**

| **Project Recording Form** | | | | | |
|---|---|---|---|---|---|
| Reported By: | | | | | |
| Project Code | | | | | |
| Start Time | | | | | |
| Expected End Time | | | | | |
| Project Type | | | | | |
| Chinese Full Name of the Involved Company | | | | | |
| English Full Name of the Involved Company | | | | | |
| Stock Code | | | | | |
| Involved Entities | | | | | |
| Project Role | | | | | |
| Whether External Parties involved | | | | | |
| If any Non-Disclosure Agreement sighed | | | | | |
| Project Participants | **Name list** | | | | |
| | Name | Department | Role | Email Address | Date of Joining the Project |
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**Exhibit 11.3**

# Employee Trading Management Policy

(This policy is applicable to UP Fintech Holding Limited and non-licensed entities within the scope of its consolidated financial statements)

## Table of Contents


**Section 1 Overview** **2**

**Section 2 Definition** **2**

**Section 3 General Principles of Employee Trading** **4**

3.1 Principles of Trading TIGR Financial Products 4

3.2 Principles on Trading Other Financial Products 5

**Section 4 Other Regulations Applicable to Category A and Category B Employees** **5**

4.1 Regulations Applicable to Category A Employees 6

4.2 Regulations Applicable to Category B Employees 6

**Section 5 Consequences of Violation** **7**

**Appendix A: Frequently Asked Questions** **8**

**Exhibit 11.3**

## Section 1 Overview

1. The "Employee Trading Management Policy" (hereinafter refer to as the "**Policy**") sets forth guidelines to the Employees of Non-Licensed Entities (as defined below) regarding following matters:

   (1) Employees of Non-Licensed Entities trading stocks, derivatives, bonds, other financial products or securities issued by UP Fintech Holding Limited (the "**Company**" or "**TIGR**"), including but not limited to common stocks, preferred stocks, restricted stock units, futures, options, warrants, and any other types of derivatives or securities (collectively, "**TIGR Financial Products**");

   (2) Employees of Non-Licensed Entities trading financial products other than TIGR Financial Products (including but not limited to stocks, bonds, futures, options issued by other companies) in the United States, Hong Kong or other international capital markets outside the mainland of the People's Republic of China ("**China**"), or trading stocks listed on China's Stock Exchanges (collectively referred to as "**Other Financial Products**") through Shanghai-Hong Kong Stock Connect and Shenzhen Stock Connect.

2. "**Group Non-Licensed Entities**" include companies within the Group that do not hold any financial licenses or qualifications inside or outside China. This policy is only applicable to employees of Group Non-Licensed Entities. Based on the distinction between groups of high-risk employees and low-risk employees in terms of insider trading, the Group is committed to maintaining a higher standard for high-risk employees. In general, this policy prohibits Group Non-Licensed Entities employees from using material non-public information for their personal benefits or for the benefit of relatives, friends or others in trading activities.

3. Within the Group, entities that hold financial licenses or qualifications (hereinafter referred to as "**Group Licensed Entities"**) shall establish and implement employee trading management policy and procedures that meet local regulatory requirements. The chief executive officer of each Group Licensed Entity is ultimately responsible for the formulation, implementation, and modification of these local policies and procedures.

4. The head of the Legal and Compliance Department of the Group has the authority to determine that any Group Non-Licensed Entities outside China shall be managed by a specific overseas Group Licensed Entity. Once the head of the Legal and Compliance Department of the Group exercises the authority of discretion, the overseas Group Non-Licensed Entity will be regarded as a Group Licensed Entity equally, where this Policy will no longer apply.

5. Employees of Non-Licensed Entities should read the "**Appendix A Frequently Asked Questions**" carefully, which constitutes a vital part of this Policy, and the requirements set forth therein must also be strictly complied with. If you have any questions about this Policy or related applicable laws, regulations, provisions, or policies, please contact the Group Legal & Compliance Department ("**Legal & Compliance**" or "**Group Legal & Compliance**") directly.

## Section 2 Definition

1. "**Group**" refers to the Company and all its affiliated entities within the scope of its consolidated financial statements.

2. "**Employees of Group Non-Licensed Entities**" or "**Employees of Non-Licensed Entities**" include employees, senior managers, and directors of the Company and the non-licensed entities within the Group, excluding the independent directors of the Company.

3. " **Affiliates**" refer to the spouse, common-law partner, and minor children of a person.

4. "**Section 16 Officers**" refer to the Group's senior managers and directors, including Group's Chief Financial Officer. If the Group has set Chief Accounting Officer and Chief Financial Officer respectively, the Group's Chief Accounting Officer should also be included.

5. "**10b5-1 Trading Plan**" means a written trading plan that complies with Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended.

6. "**Trading Window Period**" or "**Trading Window**" refers to the period during which Employees of Non-Licensed Entities are permitted to trade (including buy and sell) TIGR Financial Products in accordance with this Policy. Subject to the discretion of Legal & Compliance, the Trading Window generally starts at the opening of the regular trading session on the second trading day after the day when the Company's quarterly or annual financial results are publicly released and ends at the closing of the regular trading session on the last trading day of the quarter.

7. **"Category A Employees"** means:
   (1) Senior managers and Group directors (except independent directors);
   (2) Employees of Non-Licensed Entities who have access to material non-public information of the Group or customers through daily work, including some employees on the private side of the information barrier and employees above the wall (such as some employees from Legal & Compliance, Finance and Internal Audit Department of the Group);
   (3) Other employees designated by the Legal & Compliance.

   Legal & Compliance is responsible for formulating the list of Category A Employees, and the maintenance, adjustment, and regular review of the list according to the actual situation.

8. "**Category B Employees"** refer to Employees of Non-Licensed Entities other than Category A Employees.

9. "**Restricted List"** is a list of companies publicly available within the Group. The transaction involving financial products of companies on the Restricted List will be subject to certain restrictions while any Employee of Non-Licensed Entities processing customer orders, conducting proprietary account transactions, employee personal account transactions, or any other activities. The function of the Restricted List is to avoid improper use of material non-public information by restricting the activities related to the companies on the Restricted List during a certain period. For specific definition, please refer to the section headed "Restricted List" in "Insider Information and Confidential Information Management Policy".

10. "**Watch List"** is a confidential list of companies, which records the ongoing projects of the Group and employee who participate in such projects. The employees on the list may have access to material non-public information related to the target project. The Watch List is recorded and maintained by Control Room and will not be released. The purpose of establishing the Watch List is to ensure, by monitoring trading activities in relation to the companies on the list, that material non-public information will not be tipped off or misused. For specific definition, please refer to the section headed "Watch List" in the "Inside Information and Confidential Information Management Policy".

11. "**Personal Trading Account**" of an employee refers to an account used to trade or hold securities and other financial products, in which the employee or their Affiliates have:
   (1) Benefits;
   (2) Control over investment decisions; or
   (3) Influence;

   A Personal Trading Account includes but is not limited to:
   (1) Personal brokerage accounts opened by Employees of Non-Licensed Entities or their Affiliates;
   (2) Company/institutional brokerage accounts controlled by Employees of Non-Licensed Entities or their Affiliates;
   (3) Brokerage accounts of children or other relatives of Employees of Non-Licensed Entities who live with the employee, who receive major financial assistance from the employee or the employee's Affiliates, or whose transactions in TIGR Financial Products are directed by such employee or are subject to such employee's influence or control (e.g., consulting with such employee before they trade TIGR Financial Products).;

(4) Trust accounts or similar arrangements where Employees of Non-Licensed Entities or their Affiliates can benefit directly or indirectly;
(5) Trust accounts or similar arrangements of which Employees of Non-Licensed Entities or their Affiliates act as trustees or which Employees of Non-Licensed Entities or their Affiliates have the right to send instructions to or exert influence on; or
(6) Joint brokerage accounts controlled by Employees of Non-Licensed Entities or their Affiliates.

It should be noted that the Personal Trading Accounts as mentioned in this "Policy" include **employee personal trading accounts** (such as accounts in the name of an employee and accounts where an employee has interest in, control over or influence on its investment decision-making, etc.) and the **employee's Affiliates' personal trading accounts** (such as the accounts in the name of the Affiliate, and accounts where the Affiliate has interest in, control over or influence on its investment decision-making, etc.). If you have any questions or doubts about the above definitions, please kindly consult Legal & Compliance.

As far as it is concerned, Personal Trading Accounts do not include the following types of accounts:
(1) Bank accounts that cannot be used to hold or trade securities (including mutual funds) or other financial products;
(2) Mutual fund accounts that can only be used to invest in mutual funds and do not support trading or holding any other financial products.

## Section 3 General Principles of Employee Trading

### 3.1 Principles of Trading TIGR Financial Products

1. Employees of Non-Licensed Entities can only trade TIGR Financial Products during the Trading Window Period.

2. Even during the Trading Window Period, Group Legal & Compliance can set a restricted period for Employees of Non-Licensed Entities. The duration of the restricted period and applicable employees are determined by the Group Legal & Compliance. Applicable employees are prohibited from trading TIGR Financial Products during the restricted period. The restricted period should be classified as Group confidential information. Employees of Non-Licensed Entities who has knowledge of contemporary or past restricted periods shall not disclose such information to others inside or outside the Group.

3. Even during the Trading Window Period, Employees of Non-Licensed Entities are not allowed to trade TIGR Financial Products during the period when they are in possession of material non-public information of the Group (regardless of whether they make investment decisions before obtaining material non-public information or not) or disclose material non-public information or provide any investment advice to anyone else. If Employees of Non-Licensed Entities are not sure whether the information they hold is material non-public information, they shall consult the Group Legal & Compliance.

4. Employees of Non-Licensed Entities shall not participate in TIGR bearish strategy under any circumstances. The bearish strategy herein means profiting from a decline of underlying assets while trading certain products or a portfolio of financial products, which includes short stock/ short call/ long put.

5. Employees of Non-Licensed Entities are permitted to participate in bullish or risk hedging strategies of TIGR-related financial products. Herein the bullish or risk hedging strategies refer to strategies profiting from the price increase of underlying assets (such as stocks) while trading certain products or a portfolio of financial products or conducting hedging activities at a limited loss, which includes long stock/ long call/ short put or covered call options strategy. If an Employee of Non-Licensed Entities is deemed as an affiliate of TIGR or/ and the securities traded by the employee constitute restricted securities under Rule 144 under the U.S. Securities

Act of 1933 ("**Rule 144**"), then the employee shall comply with Rule 144.

6. Employees of Non-Licensed Entities are not allowed to mortgage or pledge TIGR Financial Products unless the aforementioned mortgage or pledge behavior has been pre-approved by the Group Legal & Compliance.

7. When the Trading Window closes, unfilled orders for TIGR Financial Products placed by Employees of Non-Licensed Entities through accounts opened within the Group may be automatically cancelled, unless a pre-approved exemption has been obtained from the Group Legal & Compliance.

8. Employees of Non-Licensed Entities may not make any recommendations or express opinions on the basis of material non-public information as to trading TIGR Financial Products to any other persons or entities, unless such communication is made in accordance with the Group's Inside and Confidential Information Management Policy. This prohibition applies whether or not the employee receives any benefit from the use of that information by the other person or entity.

### 3.2 Principles on Trading Other Financial Products

1. Employees of Non-Licensed Entities shall not trade or recommend stocks, bonds, futures, options, warrants, or other derivatives of a specific company to others under the following circumstances:
   (1) The employee possesses material non-public information about the company;
   (2) The employee knows the Group is or will trade the company's securities or related derivatives through its own account or customer account;
   (3) The employee knows the upcoming release of company research reports before the information goes public;
   (4) The employee knows that the company has been or will be listed on the Group Watch List;
   (5) The company is listed on the Group Restricted List.

2. If the Group's licensed entities participate in the underwriting or distributing of a company's securities in its initial public offering (its "**IPO**"), the Group's senior managers and directors (except independent directors), employees of the private side who are involved in this IPO project, employees from Group Legal & Compliance, Finance and other departments who participate in the due diligence of this IPO project and their direct managers shall not participate in this IPO subscription, grey market trading and secondary market trading before this project is officially closed. The aforementioned restrictions do not apply to employees other than the above.

3. Employees of Non-Licensed Entities are not allowed to trade corresponding financial products in their Personal Trading Accounts immediately before (which is commonly known as "Front-Running Trade") or after completing the client's transaction (which is commonly known as "Piggy-Backing Trade").

4. Employees of Non-Licensed Entities may not make any recommendations or express opinions on the basis of material non-public information as to trading Other Financial Products to any other persons or entities, to the extent such information is acquired in the course of employment with, or the performance of services on behalf of the Group, unless such communication is made in accordance with the Group's Inside and Confidential Information Management Policy. This prohibition applies whether or not the employee receives any benefit from the use of that information by the other person or entity.

## Section 4 Other Regulations applicable to Category A Employees and Category B Employees

**4.1 Regulations applicable to Category A Employees**

1. When joining the Group, Category A Employees need to disclose their Personal Trading Accounts (including their Affiliates' accounts) opened outside or inside the Group to Group Legal & Compliance.

2. In general, this Policy encourages Category A Employees to close their Personal Trading Accounts opened outside the Group. If Category A Employees decide to keep or open Personal Trading Accounts outside the Group, they should: i) also open an employee personal trading account in their own names with Group's Licensed Entities; and ii) submit all external monthly/quarterly statements or proof of no transaction to Group Legal & Compliance each quarter. Category A Employees who violate this Section 4.1.2 will be punished in accordance with the relevant Group policy.

3. Under special circumstances, Category A Employees can submit a written application letter to Group Legal & Compliance for exempting the requirements on Affiliates' personal trading accounts. Such special circumstances may include where the local privacy protection policy requires non-disclosure of the Affiliates' accounts or where the Affiliates' accounts are subject to his/her own employers' Employee Transaction Management Policy. Group Legal & Compliance will require an exemption commitment letter from Category A Employees to ensure the Affiliates' personal trading accounts comply with the transaction principles and transaction restrictions under the Policy.

4. Category A Employees should update their Personal Trading Accounts information to the Group Legal & Compliance promptly, including closing accounts or opening new accounts, etc.

5. During the Trading Window Period, Category A Employees shall submit and get pre-approval from Group Legal & Compliance before conducting any transactions on TIGR Financial Products. The approval will be valid for 5 trading days. If the approval is obtained before the Trading Window opens, the five trading days will be counted from the first trading day of the Trading Window Period. The approval will naturally expire after 5 trading days, and after the expiration, regardless of whether any transaction has been conducted, a new application shall be submitted before trading. If the Trading Window closes before the end of the five trading days after approval, Category A Employees can only trade until the Trading Window closes.

6. Category A Employees are not required to obtain pre-approval to trade other financial products.

7. Section 16 Officers and employees designated or approved by the head of the Legal and Compliance Department of the Group can trade TIGR Financial Products by establishing 10b5-1 Trading Plan. 10b5-1 Trading Plan refers to the trading plan formulated in accordance with the relevant content of Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended, and its related content and execution method shall be finally approved by the head of the Legal and Compliance Department of the Group. All 10b5-1 Trading Plans must be executed by a broker approved by the head of the Legal and Compliance Department of the Group. For the 10b5-1 Trading plan of the head of the Legal and Compliance Department of the Group himself/herself, he/she should submit a request to Chief Executive Officer for pre-approval.

8. Group Legal & Compliance will conduct regular examinations or spot checks on the personal trades of Category A employees. Head of the Legal and Compliance Department of the Group has the right to determine the mechanism of the examinations and spot checks according to specific scenarios.

9. Category A Employees are required to submit a commitment letter every year to confirm that all the Personal Trading Accounts have been disclosed to the Group and confirm their compliance with this Policy.

**4.2 Regulations Applicable to Category B Employees**

1. When joining the Group, Category B Employees do not need to disclose their Personal Trading Accounts.

2. Category B Employees may only trade TIGR Financial Products during the Trading Window Period, but pre-approval is not required. Category B Employees do not need pre-approval to trade Other Financial Products.

3. The head of the Legal and Compliance Department of the Group reserves the authority to spot check the internal and external Personal Trading Accounts of Category B Employees at his/ her discretion. Head of the Legal and Compliance Department of the Group has the right to decide to start, stop or modify the mechanism of spot check based on specific circumstances.

4. Category B Employees are required to submit a commitment letter every year to confirm their compliance with this Policy.

**Section 5 Consequences of Violation**

1. The consequences of violating this Policy include a series of penalties, such as cancellation of transactions, confiscation of trading proceeds, suspension of trading authority, company internal personal punishments, termination of labor relations, and being reported to local regulatory institutions or law enforcement departments in accordance with local regulations.

**Exhibit 11.3**

**Appendix A: Frequently Asked Questions**

1. What is "Material Non-Public Information"?

It is assumed that all information obtained by employees during their employment is non-public information, unless the information has already been disclosed through press releases, news agencies, newspapers, prospectuses, or public filings to regulators, or obtained through other public sources. If it is reasonably expected to affect the market value of the Company's stock, or which would affect the investment judgment of a person making a decision to buy, sell or hold the stock, the information should be considered as material non-public information.

2. What are the legal consequences of Insider Dealing or Material Non-Public Information divulging?

Conducting insider trading or divulging material non-public information will cause serious consequences, which may result in a sentence of imprisonment and civil and/or criminal fines for employees who violate regulations, and civil and/or criminal fines for organizations that violate regulations.

3. How does this Policy apply to trades under the Employee Stock Ownership Plan (ESOP) of Employees of Non-Licensed Entities?

The trading restrictions stipulated in this Policy do not apply to:
(1) Exercising stock options in cash, without accompanying the sale of stocks;
(2) Settlement of restricted stock units; or
(3) Automatic withholding tax.

The transaction restrictions stipulated in this Policy apply to:
(1) Take the issued TIGR Financial Products as all or part of the exercise price of any option;
(2) Exercise the options without cash through the issued TIGR Financial Products, which is accompanied by broker's assistance in selling part of the issued shares when exercising; and
(3) Selling TIGR Financial Products purchased under the plan.

4. I understand that TIGR Financial Products are not allowed to be traded outside the Trading Window Period. Can I exercise options without selling the shares?

Yes. Exercising options without selling stocks is not considered a "trade" under the Policy.

5. Is it possible to give TIGR Financial Products as gifts?

Outside the Trading-Window Period, Employees of Non-Licensed Entities shall not give TIGR Financial Products as gifts, charitable donations, or transfer in any other way without consideration. During the Trading Window Period, if Category A Employees want to donate TIGR Financial Products, they must submit an application to the Group Legal & Compliance for approval. Section 16 Officers should obtain written approval from the head of the Legal and Compliance Department of the Group before gifting or nonreciprocal transfer of TIGR Financial Products.

6. Can I hold TIGR financial products in Margin Account?

Securities held in margin accounts or used as loan collateral can be sold without the consent of account holder. For example, if the account holder fails to meet the margin call requirements, the broker would sell the securities, and if the account holder defaults, the mortgagor can foreclose the collateral and sell the securities. Since the sale of these two types of securities may occur during the period when Employees of Non-Licensed Entities have material non-public information or are prohibited from trading TIGR financial products, Employees of Non-Licensed Entities who hold TIGR financial products in their margin accounts should bear all the insider dealing risks by themselves.

7. Can I use TIGR Financial Products as Loan collateral?

If Employees of Non-Licensed Entities need to use TIGR Financial Products as loan collateral, they must submit a written application to the Group Legal & Compliance before execution. Only if the Employees of Non-Licensed Entities have clearly demonstrated that their personal financial background is sufficient enough to repay the debts without selling the mortgaged TIGR Financial Products, Group Legal & Compliance may approve the request to use TIGR Financial Products as Loan collateral by Employees of Non-Licensed Entities.

8. If I encounter difficulties or there is an urgent and pressing need to sell TIGR Financial Products or exercise options, can I sell part of TIGR Financial Products?

Employees of Non-Licensed Entities may have the need to trade TIGR Financial Products for various reasons, but they still have to abide by the trading provisions stipulated in this Policy.

9. How to approve the 10b5-1 Trading Plan?

The responsibility of the 10b5-1 Trading Plan and transactions thereunder shall be borne by the person who uses the plan for trading. The approval of the 10b5-1 Trading Plan by head of the Legal and Compliance Department of the Group does not mean the Group or the head of the Legal and Compliance Department of the Group can determine if the 10b5-1 Trading Plan meets the requirements under Rule 10b5-1. The Group reserves the right to prohibit the trading of TIGR financial products (including transactions under the 10b5-1 Trading Plan) at any time, and the authority is fully vested in the head of the Legal and Compliance Department of the Group.

Under the Policy, the 10b5-1 Trading Plan must meet all the following conditions:
(1) The 10b5-1 Trading Plan meets the requirements of Rule 10b5-1;
(2) The 10b5-1 Trading Plan shall be formulated during the Trading Window Period instead of any Restricted Period;
(3) The Employee of Non-Licensed Entities who is initiating the 10b5-1 Trading Plan does not have more than one 10b5-1 Trading Plan outstanding at the same time, except in limited circumstances pursuant to Rule 10b5-1 and subject to preapproval by the head of the Legal and Compliance Department;
(4) The head of the Legal and Compliance Department of the Group has approved the 10b5-1 Trading Plan, and the first transaction under the 10b5-1 Trading Plan commences after the corresponding cooling-off period as required by Rule 10b5-1 following the adoption or modification of the 10b5-1 Trading Plan elapses; and
(5) At the time of the formal adoption or modification of the 10b5-1 Trading Plan, the Employees of Non-Licensed Entities who initiated the 10b5-1 Trading Plan have assured the head of the Legal and Compliance Department of the Group in formal written form (available via email) that: at the time of the adoption or modification of the 10b5-1 Trading Plan
a) The Employee of Non-Licensed Entities does not have material non-public information of Group and TIGR financial products, and all transactions concluded under the 10b5-1 Trading Plan will comply with the trading restriction requirements under Section 16 of the Securities Exchange Act and the SEC Rule 144 (if applicable); and
b) The employee is adopting or modifying the 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5;
c) The 10b5-1 Trading Plan meets the requirements of Rule 10b5-1.

The head of the Legal and Compliance Department of the Group is not obligated to approve any transaction application submitted by anyone, nor is he/she obligated to approve any 10b5-1 Trading Plan. After submitting the application, the needed approval time frame is uncertain. Unless there is any other application approval provided by the head of the Legal and Compliance Department of the Group, all 10b5-1 Trading Plans must be executed by the broker approved by the head of the Legal and Compliance Department of the Group.

10. What rules shall I follow if I no longer work for the Group?

If the Employees of Group Non-Licensed Entities possess material non-public information until their employment relationship or service relationship is terminated, they shall not trade TIGR Financial Products until the information is publicly released or turning to insignificant information.

11. How does this Policy apply to the trading activities of the head of the Legal and Compliance Department of the Group?

The head of the Legal and Compliance Department of the Group shall not trade TIGR Financial Products before the Group Chief Executive Officer approves according to this Policy.

**Exhibit 12.1**

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER**

**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tianhua Wu, certify that:

1. I have reviewed this annual report on Form 20-F of UP FINTECH HOLDING LIMITED;

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 company as of, and for, the periods presented in this report;

4. The company'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 company and have:

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

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

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this 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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

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

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

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

Date: April 23, 2025

By: /s/ Tianhua Wu
Name: Tianhua Wu
Title: Chief Executive Officer

**Exhibit 12.2**

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER**

**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Fei Zeng, certify that:

1. I have reviewed this annual report on Form 20-F of UP FINTECH HOLDING LIMITED;

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 company as of, and for, the periods presented in this report;

4. The company'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 company and have:

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

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

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this 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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

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

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

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

Date: April 23, 2025

By: /s/ John Fei Zeng
Name: John Fei Zeng
Title: Chief Financial Officer

**Exhibit 13.1**

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER**

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of UP FINTECH HOLDING LIMITED (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tianhua Wu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: April 23, 2025

By: /s/ Tianhua Wu
Name: Tianhua Wu
Title: Chief Executive Officer

**Exhibit 13.2**

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER**

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of UP FINTECH HOLDING LIMITED (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Fei Zeng, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: April 23, 2025

By: /s/ John Fei Zeng
Name: John Fei Zeng
Title: Chief Financial Officer

**Exhibit 15.1**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements on Form S-8 (File Nos. 333-276228, 333-259241 and 333-231894) and on Form F-3 (No. 333-282761) of our report dated April 23, 2025, with respect to the consolidated financial statements of UP Fintech Holding Limited and the effectiveness of internal control over financial reporting.

/s/ KPMG Huazhen LLP

Beijing, China
April 23, 2025

**Exhibit 15.2**

CONSENT OF JUNHE LLP

**To UP Fintech Holding Limited**

April 23, 2025

Dear Sirs or Madams:

We hereby consent to the references to our firm and the summaries of our opinions under "Item 3. Key Information – Description of Certain PRC Regulations Affecting Our Business" and "Item 3. Key Information – Certain Risks Related to Our Chinese Operations and Operating Structure" included in UP Fintech Holding Ltd.'s annual report on Form 20-F for the year ended December 31, 2024 (the "Annual Report"), which is filed with the Securities and Exchange Commission (the "SEC") on April 23, 2025. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Very truly yours,

/s/ JunHe LLP

JunHe LLP