
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from _____ to _____

Commission file number: 001-41454

GIGACLOUD TECHNOLOGY INC

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands

00-0000000

(State or Other Jurisdiction of Incorporation or
Organization)

(I.R.S. Employer Identification No.)

4388 Shirley Avenue, El Monte, CA, 91731, United States

(Address of principal executive offices, including zip code)

1-626-912-8886

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A ordinary shares, par value \$0.05 per share	GCT	The Nasdaq Stock Market LLC

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, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of outstanding shares of the issuer's ordinary shares as of July 26, 2024 was 41,362,894, consisting of 33,286,162 Class A ordinary shares, par value \$0.05 per share, issued and outstanding (which had excluded an aggregate of 56,056 Class A ordinary shares issued and reserved for future allocation upon exercise or vesting of awards granted under our share incentive plans; and 215,201 Class A ordinary shares issued and repurchased but not yet cancelled) and 8,076,732 Class B ordinary shares, par value \$0.05 per share, issued and outstanding.

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GIGACLOUD TECHNOLOGY INC
FORM 10-Q — QUARTERLY REPORT
For the Quarterly Period Ended June 30, 2024

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INTRODUCTION

Conventions that Apply to this Quarterly Report

Throughout this quarterly report, we use a number of terms which are defined as follows:

- **"3P seller GigaCloud Marketplace GMV"**: the total gross merchandise value of transactions sold through our GigaCloud Marketplace by 3P sellers, before any deductions of value added tax, goods and services tax, shipping charges paid by buyers to sellers and any refunds;
- **"Active 3P sellers"**: sellers who have sold a product in GigaCloud Marketplace within the last 12-month period, irrespective of cancellations or returns;
- **"Active buyers"**: buyers who have purchased a product in the GigaCloud Marketplace within the last 12-month period, irrespective of cancellations or returns;
- **"Cayman Islands holding company"**: GigaCloud Technology Inc, our Cayman Islands holding company and its predecessor entity;
- **"China"** and the **"PRC"**: the People's Republic of China; **"mainland China"**: the People's Republic of China excluding, for the purposes of this quarterly report only, Taiwan, the Hong Kong Special Administrative Region and the Macao Special Administrative Region; in this quarterly report, any PRC laws, rules, regulations, statutes, notices, circulars and judicial interpretation or the like refer to those currently in force, published for comments (if specifically stated) or being promulgated but have not come into effect (if specifically stated) and publicly available in mainland China as of the date of this quarterly report.
- **"Class A ordinary shares"** or **"our Class A ordinary shares"**: the Class A ordinary shares, par value \$0.05 per share, of GigaCloud Technology Inc;
- **"Class B ordinary shares"** or **"our Class B ordinary shares"**: the Class B ordinary shares, par value \$0.05 per share, of GigaCloud Technology Inc;
- **"Fulfillment centers"**: our warehouses that are strategically located, designed and equipped to manage inventory and to fulfill customer orders and other needs;
- **"GigaCloud Marketplace GMV"**: the total gross merchandise value of transactions ordered through our GigaCloud Marketplace including GigaCloud 3P and GigaCloud 1P, before any deductions of value added tax, goods and services tax, shipping charges paid by buyers to sellers and any refunds;
- **"GMV"**: the total gross merchandise value of transactions;
- **"HK\$"** the legal currency of Hong Kong;
- **"Hong Kong"**: Hong Kong Special Administrative Region of the People's Republic of China;
- **"Hong Kong Subsidiary"**: GigaCloud Technology (HongKong) Limited, a wholly-owned subsidiary of GigaCloud Technology Inc in Hong Kong principally for operating the B2B GigaCloud Marketplace;
- **"off-platform ecommerce"**: the sale of our own inventory to and through third-party ecommerce platforms;
- **"PRC Subsidiaries"**: the operating subsidiaries of GigaCloud Technology Inc in mainland China principally for procurement and providing inter-group services to the group companies;
- **"RMB"** and **"Renminbi"**: the legal currency of China;
- **"shares," "our shares" "ordinary shares" or "our ordinary shares"**: our Class A ordinary shares and Class B ordinary shares, par value \$0.05 per share;
- **"SKU"**: the stock keeping unit for our inventory;
- **"Spend per active buyer"**: the spend per active buyer that is calculated by dividing the total GigaCloud Marketplace GMV within the last 12-month period by the number of active buyers as of such date;
- **"US\$," "\$" and "U.S. dollars"**: the legal currency of the United States, or the U.S.;
- **"VIEs"**: our former variable interest entities that entered into account control agreements with GigaCloud Technology Inc; and

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- “**we**,” “**us**,” “**our company**,” “**the Company**,” “**our**,” “**our group**” or “**GigaCloud Group**” refer to GigaCloud Technology Inc, our Cayman Islands holding company, its predecessor entity, together as a group with its subsidiaries.

We have made rounding adjustments to reach some of the figures included in this quarterly report. Consequently, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements about our current expectations and views of future events. These forward-looking statements relate to events that involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from those expressed or implied by these statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "could," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "propose," "potential," "continue" 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. The forward-looking statements included in this quarterly report relate to, among other things:

- our goals;
- our business and operating strategies and plans for the development of existing and new businesses, ability to implement such strategies and plans and expected time;
- our ability to realize the expected benefits of our acquisitions;
- our expectation regarding the prospects of our business model;
- our future business development, financial condition and results of operations;
- expected changes in our revenues, costs or expenditures;
- our dividend policy;
- our expectations regarding the effectiveness of our marketing initiatives and the demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers and business partners;
- the trends in, expected growth in and market size of our industry globally;
- our ability to maintain and enhance our market position;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- developments in, or changes to, laws, regulations, governmental policies, incentives and taxation affecting our operations, in particular in the markets we are in;
- relevant governmental policies and regulations relating to our businesses and industry;
- competitive environment, competitive landscape and potential competitor behavior in our industry; overall industry outlook in our industry;
- our ability to attract, train and retain executives and other employees;
- our proposed use of proceeds from any of our future offerings;
- the development of the global financial and capital markets;
- fluctuations in inflation, interest rates and exchange rates;
- the impact of the COVID-19 pandemic, or other pandemics or epidemics, to our business operations and the economy in the U.S. and elsewhere generally;
- general business, political, social and economic conditions in the U.S. and other markets we have business; and
- assumptions underlying or related to any of the foregoing.

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These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Summary of Risk Factors," "Item 1A. Risk Factors," "Item 1. Business," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission, or the SEC, on March 27, 2024, or the 2023 Form 10-K, and other sections in this quarterly report. 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 risk factors and uncertainties, nor can we assess the impact of all 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. You should read thoroughly this quarterly report and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This quarterly report may contain information derived from various government and private publications. These publications include forward-looking statements, which are subject to risks, uncertainties and assumptions. Although we believe the data and information to be reliable, we have not independently verified the accuracy or completeness of the data and information contained in these publications. Statistical data in these publications also include projections based on a number of assumptions. Our industry may not grow at the rate projected by market data, or at all. Failure of the market to grow at the projected rate may have a material and adverse effect on our business and the market price of our Class A ordinary shares. In addition, projections or estimates about our business and financial prospects involve significant risks and uncertainties. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. See "Item 1A. Risk Factors—Risks Related to Our Class A Ordinary Shares—This annual report may contain certain industry data and information that were obtained from third-party sources and were not independently verified by us" in the 2023 Form 10-K. Therefore, you should not place undue reliance on these statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements in this quarterly report are made based on events and information as of the date of this quarterly report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this quarterly report and the documents that we refer to in this quarterly report and have filed as exhibits to this quarterly report, completely and with the understanding that our actual future results or performance may materially differ from what we expect.

PART I—FINANCIAL INFORMATION**Item 1. Financial Statements.**

GigaCloud Technology Inc
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except for share data and per share data)
(unaudited)

	December 31, 2023	June 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 183,283	\$ 185,623
Restricted cash	885	905
Investments	—	22,197
Accounts receivable, net	58,876	69,615
Inventories	132,247	197,554
Prepayments and other current assets	17,516	17,476
Total current assets	392,807	493,370
Non-current assets		
Operating lease right-of-use assets	398,922	495,435
Property and equipment, net	24,614	22,721
Intangible assets, net	8,367	7,279
Goodwill	12,586	12,586
Deferred tax assets	1,440	7,854
Other non-current assets	8,173	15,778
Total non-current assets	454,102	561,653
Total assets	\$ 846,909	\$ 1,055,023

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

GigaCloud Technology Inc
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except for share data and per share data)
(unaudited)

	December 31, 2023	June 30, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (including accounts payable of VIEs without recourse to the Company of \$11,563 and nil as of December 31, 2023 and June 30, 2024, respectively)	\$ 69,757	\$ 79,855
Contract liabilities (including contract liabilities of VIEs without recourse to the Company of \$736 and nil as of December 31, 2023 and June 30, 2024, respectively)	5,537	6,497
Current operating lease liabilities (including current operating lease liabilities of VIEs without recourse to the Company of \$1,305 and nil as of December 31, 2023 and June 30, 2024, respectively)	57,949	76,404
Income tax payable (including income tax payable of VIEs without recourse to the Company of \$3,644 and nil as of December 31, 2023 and June 30, 2024, respectively)	15,212	14,498
Accrued expenses and other current liabilities (including accrued expenses and other current liabilities of VIEs without recourse to the Company of \$2,774 and nil as of December 31, 2023 and June 30, 2024, respectively)	57,319	71,754
Total current liabilities	205,774	249,008
Non-current liabilities		
Operating lease liabilities, non-current (including operating lease liabilities, non-current of VIEs without recourse to the Company of \$553 and nil as of December 31, 2023 and June 30, 2024, respectively)	343,511	440,595
Deferred tax liabilities	3,795	3,335
Finance lease obligations, non-current	111	196
Non-current income tax payable	3,302	3,470
Total non-current liabilities	350,719	447,596
Total liabilities	\$ 556,493	\$ 696,604
Commitments and contingencies	\$ —	\$ —

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

GigaCloud Technology Inc
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except for share data and per share data)
(unaudited)

	December 31, 2023	June 30, 2024
Shareholders' equity		
Treasury shares, at cost (294,029 and 272,728 shares held as of December 31, 2023 and June 30, 2024, respectively)	\$ (1,594)	\$ (1,594)
Class A ordinary shares (\$0.05 par value, 50,673,268 shares authorized, 31,738,632 and 33,557,419 shares issued as of December 31, 2023 and June 30, 2024, respectively, 31,455,148 and 33,286,162 shares outstanding as of December 31, 2023 and June 30, 2024, respectively)	1,584	1,676
Class B ordinary shares (\$0.05 par value, 9,326,732 shares authorized as of December 31, 2023 and June 30, 2024, respectively, 9,326,732 and 8,076,732 shares issued and outstanding as of December 31, 2023 and June 30, 2024, respectively)	466	403
Additional paid-in capital	111,736	125,922
Accumulated other comprehensive income	526	150
Retained earnings	177,698	231,862
Total shareholders' equity	290,416	358,419
Total liabilities and shareholders' equity	\$ 846,909	\$ 1,055,023

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

GigaCloud Technology Inc

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands except for share data and per share data)

(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2024	2023	2024
Revenues				
Service revenues	\$ 43,278	\$ 85,378	\$ 78,374	\$ 152,793
Product revenues	109,852	225,489	202,553	409,151
Total revenues	153,130	310,867	280,927	561,944
Cost of revenues				
Services	34,782	74,040	63,549	128,471
Product sales	77,984	160,380	147,440	290,478
Total cost of revenues	112,766	234,420	210,989	418,949
Gross profit	40,364	76,447	69,938	142,995
Operating expenses				
Selling and marketing expenses	9,535	19,460	16,431	34,040
General and administrative expenses	6,897	26,280	11,047	41,669
Research and development expenses	532	3,097	1,204	4,853
Losses on disposal of property and equipment	—	162	—	168
Total operating expenses	16,964	48,999	28,682	80,730
Operating income	23,400	27,448	41,256	62,265
Interest expense	(804)	(59)	(917)	(140)
Interest income	484	2,244	1,074	3,853
Foreign currency exchange gains (losses), net	(815)	(1,107)	570	(3,816)
Government grants	395	2	395	8
Others, net	(1)	506	(22)	184
Income before income taxes	22,659	29,034	42,356	62,354
Income tax expense	(4,269)	(2,065)	(8,025)	(8,190)
Net income	\$ 18,390	\$ 26,969	\$ 34,331	\$ 54,164
Net income attributable to ordinary shareholders	\$ 18,390	\$ 26,969	\$ 34,331	\$ 54,164
Foreign currency translation adjustment, net of nil income taxes	(307)	(266)	(501)	(378)
Net unrealized gains on available-for-sale investments	—	2	—	2
Total other comprehensive loss	(307)	(264)	(501)	(376)
Comprehensive Income	\$ 18,083	\$ 26,705	\$ 33,830	\$ 53,788
Net income per ordinary share				
—Basic	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32
—Diluted	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32
Weighted average number of ordinary shares outstanding used in computing net income per ordinary share				
—Basic	40,896,423	41,295,216	40,806,959	41,041,937
—Diluted	40,941,904	41,407,207	40,852,439	41,150,585

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

GigaCloud Technology Inc
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands except for share data)
(unaudited)

	Class A ordinary shares	Class B ordinary shares	Treasury Shares	Subscription receivable from ordinary shares	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity
	Number of ordinary shares	Number of ordinary shares	Number of ordinary shares					
Balance as of January 1, 2023	31,357,814	\$ 1,568	9,326,732	\$ 466	4,624,039	\$ (231)	\$ 109,049	\$ 804
Net income	—	—	—	—	—	—	—	34,331
Share-based compensation	277,906	14	—	—	(4,609,081)	230	81	1,685
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	(501)	—
Balance as of June 30, 2023	31,635,720	\$ 1,582	9,326,732	\$ 466	14,958	\$ (1)	\$ 110,734	\$ 303
								\$ 231,005

	Class A ordinary shares	Class B ordinary shares	Treasury Shares	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity
	Number of ordinary shares	Number of ordinary shares	Number of ordinary shares				
Balance as of January 1, 2024	31,455,148	\$ 1,584	9,326,732	\$ 466	294,029	\$ (1,594)	\$ 111,736
Net income	—	—	—	—	—	—	54,164
Shares held for share-based compensation	—	—	—	—	500,000	—	—
Share-based compensation	567,642	28	—	—	(521,301)	—	14,187
Exercise of warrants	13,372	1	—	—	—	(1)	—
Re-designated ordinary shares from Class B to Class A	1,250,000	63	(1,250,000)	(63)	—	—	—
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	(378)	—
Net unrealized gain on available-for-sale investments	—	—	—	—	—	2	—
Balance as of June 30, 2024	33,286,162	\$ 1,676	8,076,732	\$ 403	272,728	\$ (1,594)	\$ 125,922
							\$ 231,862
							\$ 358,419

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GigaCloud Technology Inc
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands except for share data)
(unaudited)

	Statement of Changes in Shareholders' Equity										Total shareholders' equity		
	Class A		Class B		Treasury shares		Subscription receivable		Additional paid-in capital		Accumulated other comprehensive income		
	ordinary shares	Number of ordinary shares	ordinary shares	Number of ordinary shares	Treasury shares	from ordinary	shares	capital	Retained earnings	99,531			
Balance as of April 1, 2023	31,416,426	\$ 1,571	9,326,732	\$ 466	58,572	\$ (2)	\$ (312)	\$ 109,300	\$ 610	\$ 99,531	211,164		
Net Income	—	—	—	—	—	—	—	—	—	18,390	18,390		
Share-based compensation	219,294	11	—	—	(43,614)	1	312	1,434	—	—	1,758		
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	—	—	(307)	—	(307)		
Balance as of June 30, 2023	31,635,720	\$ 1,582	9,326,732	\$ 466	14,958	\$ (1)	\$ —	\$ 110,734	\$ 303	\$ 117,921	\$ 231,005		

	Statement of Changes in Shareholders' Equity										Total shareholders' equity	
	Class A		Class B		Treasury shares		Additional paid-in capital		Accumulated other comprehensive income			
	ordinary shares	Number of ordinary shares	ordinary shares	Number of ordinary shares	Treasury shares	from ordinary	shares	capital	Retained earnings	99,531		
Balance as of April 1, 2024	32,720,692	\$ 1,648	8,076,732	\$ 403	292,637	\$ (1,594)	\$ 112,015	\$ 414	\$ 204,893	\$ 317,779		
Net income	—	—	—	—	—	—	—	—	—	26,969	26,969	
Shares held for share-based compensation	—	—	—	—	500,000	—	—	—	—	—	—	
Share-based compensation	565,470	28	—	—	(519,909)	—	13,907	—	—	—	13,935	
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	—	—	(266)	—	(266)	
Net unrealized gain on available-for-sale investments	—	—	—	—	—	—	—	—	2	—	2	
Balance as of June 30, 2024	33,286,162	\$ 1,676	8,076,732	\$ 403	272,728	\$ (1,594)	\$ 125,922	\$ 150	\$ 231,862	\$ 358,419		

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(unaudited)

	Six Months Ended June 30,	
	2023	2024
Cash flows from operating activities:		
Net income	\$ 34,331	\$ 54,164
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Allowance for doubtful accounts	3	307
Inventory write-down	1,305	791
Loss on other assets	—	327
Deferred tax	(43)	(6,877)
Share-based compensation	1,757	14,147
Depreciation and amortization	760	4,145
Loss from disposal of property and equipment	—	168
Operating lease	880	19,019
Unrealized foreign currency exchange gains	(307)	(642)
Others	—	1,896
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	(3,300)	(11,081)
Inventories	(7,753)	(67,994)
Prepayments and other assets	(2,226)	(1,376)
Accounts payable	2,915	9,916
Contract liabilities	92	997
Income tax payable	344	(261)
Accrued expenses and other current liabilities	9,883	16,771
Net cash provided by operating activities	38,641	34,417
Cash flows from investing activities:		
Cash paid for purchase of property and equipment	(158)	(10,196)
Cash received from disposal of property and equipment	—	1,636
Purchases of investments	—	(21,843)
Net cash used in investing activities	\$ (158)	\$ (30,403)

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

GigaCloud Technology Inc
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In thousands)
 (unaudited)

	Six Months Ended June 30,	
	2023	2024
Cash flows from financing activities:		
Repayment of finance lease obligations	\$ (909)	\$ (1,149)
Repayment of bank loans	(145)	—
Net cash used in financing activities	(1,054)	(1,149)
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	(101)	(505)
Net increase in cash, cash equivalents and restricted cash	37,328	2,360
Cash, cash equivalents and restricted cash at the beginning of the period	145,076	184,168
Cash, cash equivalents and restricted cash at the end of the period	182,404	\$ 186,528
Supplemental disclosure of cash flow information		
Cash paid for interest expense	917	\$ 140
Cash paid for income taxes	7,724	\$ 16,562

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

GigaCloud Technology Inc
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

GigaCloud Technology Inc (the "Company"), a limited liability company based in the Cayman Islands, with its subsidiaries (collectively referred to as the "Group", "we" or "our") are principally engaged in large parcel merchandise sales and the provision of ecommerce solutions for small cross-border business owners utilizing the Group's online platform ("GigaCloud Marketplace") and fulfillment centers primarily located in the United States, Japan and Europe.

Organization

The consolidated financial statements as of December 31, 2023 in the 2023 Form 10-K included the financial statements of the Company, its subsidiaries and consolidated VIEs.

In January 2024, the Company terminated the Account Control Agreements with four of its consolidated VIEs, B.T.M TRAVEL AND TRADING LTD, COMHARBOR LIMITED, BRIHOME LIMITED which are located in United Kingdom (the "U.K."), and Decobus Handel GmbH which is located in Germany. Concurrently with the termination, the Company acquired 100% equity interest of the four entities from its nominal shareholder with nominal consideration through capital contribution. As of June 30, 2024, the Group had no consolidated VIEs. The accompanying unaudited condensed consolidated financial statements as of June 30, 2024 included the financial statements of the Company and its subsidiaries.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the 2023 Form 10-K.

There were no significant changes to our significant accounting policies as disclosed in the 2023 Form 10-K.

Cash, Cash Equivalents and Restricted Cash

Investments with original maturities of 90 days or less qualify as cash equivalents. Cash that is restricted for withdrawal or use is reported separately on the unaudited condensed consolidated balance sheets. The Group's restricted cash represents security deposits held in designated bank accounts for issuance of guarantee.

A reconciliation of cash, cash equivalents and restricted cash in the unaudited condensed consolidated balance sheets to the amounts in the unaudited condensed consolidated statements of cash flows is as follows:

	December 31, 2023	June 30, 2024
	(In thousands)	
Cash and cash equivalents	\$ 183,283	\$ 185,623
Restricted cash	885	905
Total cash, cash equivalents and restricted cash in the unaudited condensed consolidated statements of cash flows	\$ 184,168	\$ 186,528

GigaCloud Technology Inc
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Concentration and Risk

Concentration of customers and suppliers

No customers individually represented greater than 10.0% of total revenues of the Group for the three and six months ended June 30, 2023 and 2024.

One customer individually represented greater than 10.0% of total accounts receivable balance of the Group as of December 31, 2023 and two customers individually represented greater than 10.0% of total accounts receivable balance as of June 30, 2024.

	December 31, 2023	June 30, 2024
	proportion of total accounts receivable balance	proportion of total accounts receivable balance
Customer A	30.2 %	16.6 %
Customer B	*	14.4 %

* Less than 10.0% of total accounts receivable balance as of the period end.

During the three and six months ended June 30, 2024, one service provider individually represented 20.6% and 19.2% of total purchase, and no other vendor accounted for 10% or more of total purchases.

Concentration of credit risk

Financial instruments that potentially expose the Group to concentrations of credit risk consist principally of cash, cash equivalents, restricted cash, investments, accounts receivable, and amounts due from third-party payment platforms.

The Group's investment policy requires cash, cash equivalents, restricted cash and investments to be placed with high quality financial institutions and to limit the amount of credit risk from any one institution. The Group regularly evaluates the credit standing of the counterparties or financial institutions.

Accounts receivable (Note 3), derived from product sales and provision of services on the Group's GigaCloud Marketplace, as well as amounts due from third-party payment platforms derived from payment from individual customers collected by third-party payment platforms on behalf of the Group, are exposed to credit risk. The assessment of the counter parties' creditworthiness is primarily based on past history of making payments when due and current ability to pay, taking into account information specific to the counter parties as well as pertaining to the economic environment in which the counter parties operate. Based on this analysis, the Group determines what credit terms, if any, to offer to each counter party individually. If the assessment indicates a likelihood of collection risk, the Group will not deliver the services or sell the products to or through the counter parties or require the counter parties to pay cash in time to secure payment.

Segment Reporting

The Group's chief operating decision maker has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. For the purpose of internal reporting and management's operation review, the Group's chief executive officer and management personnel do not segregate the Group's business by revenue stream or geography. Management has determined that the Group has one operating segment.

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Long-lived assets consist of property and equipment and operating lease right-of-use assets. The geographic information for long-lived assets as of December 31, 2023 and June 30, 2024 was as follows:

	December 31, 2023	June 30, 2024
	(In thousands)	
The United States	\$ 400,554	\$ 490,358
Others	22,982	27,798
Total long-lived assets	\$ 423,536	\$ 518,156

Revenues reported are attributed to geographic areas based on locations of the Company's fulfillment centers, except for platform commission revenues which are attributed to Hong Kong, where the server of the GigaCloud Marketplace is located. Revenues by geographic regions for the three and six months ended June 30, 2023 and 2024 were as follows:

	Three Months Ended		Six Months Ended			
	June 30,	2023	2024	June 30,	2023	2024
Revenues by geographic regions:						
Service revenues	\$ 43,278	\$ 85,378	\$ 78,374	\$ 152,793		
Platform commission	2,591	4,479	4,893	8,077		
Hong Kong	2,591	4,479	4,893	8,077		
Ocean transportation service	3,936	15,504	6,707	25,305		
United States	3,892	15,436	6,655	25,177		
Others ⁽¹⁾	44	68	52	128		
Warehousing service	5,304	9,589	10,961	18,916		
United States	5,111	9,326	10,531	18,416		
Others ⁽¹⁾	193	263	430	500		
Last-mile delivery service	22,916	41,550	41,524	72,305		
United States	22,027	38,090	40,036	66,578		
Others ⁽¹⁾	889	3,460	1,488	5,727		
Packaging service	3,920	7,686	6,788	13,965		
United States	3,684	6,921	6,376	12,674		
Others ⁽¹⁾	236	765	412	1,291		
Others	4,611	6,570	7,501	14,225		
United States	4,390	5,985	7,191	13,553		
Others ⁽¹⁾	221	585	310	672		
Product revenues	109,852	225,489	202,553	409,151		
United States	79,583	169,067	150,088	309,388		
Japan	11,383	10,579	21,574	20,520		
Germany	13,923	40,092	23,263	69,365		
Others ⁽¹⁾	4,963	5,751	7,628	9,878		
Total revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944		

(1) No other individual region's revenues exceeded 10% of the Company's total revenues for the three and six months ended June 30, 2023 and 2024

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Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, to update reportable segment disclosure requirements. The amendment is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendment should be applied retrospectively to all prior periods presented in the financial statements. ASU 2023-07 is effective for our annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, amending existing income tax disclosure guidance, primarily requiring more detailed disclosure for income taxes paid and the effective tax rate reconciliation. For public business entities, the amendments in this ASU are effective for annual periods beginning after December 15, 2024. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption permitted and can be applied on either a prospective or retroactive basis. The Group is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

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2. FAIR VALUE MEASUREMENTS

The Group utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Group determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. The carrying amounts for the Group's cash, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their short-term maturities. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full-term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Investments and cash equivalents are measured at fair value on a recurring basis. As of June 30, 2024, investments on the condensed consolidated balance sheets include time deposits and U.S. treasury securities, with maturity of three months to twelve months. Cash equivalents on the condensed consolidated balance sheets include money market instruments.

Treasury securities are classified as available-for-sale with unrealized gains and losses included in "accumulated other comprehensive income (loss)". The related unrealized gains recorded in accumulated other comprehensive income were nil and \$2 thousand as of June 30, 2023 and 2024. No realized gains or losses were recorded for the three and six months ended June 30, 2023 and 2024. As of June 30, 2024, all available-for-sale securities are expected to mature within one year.

As of June 30, 2024			
	Balance Sheet Location ⁽¹⁾	Cost or amortized cost	Fair value (Level 2)
		(In thousands)	
Money market instruments	Cash and cash equivalents	\$ 50,000	\$ 50,232
U.S. treasury securities ⁽²⁾	Investments	11,991	11,993
Time deposits	Investments	10,000	10,204
		\$ 71,991	\$ 72,429

(1) Balance sheet location is determined by the length to maturity at date of purchase and whether the assets are restricted for particular use.

(2) Fair value determined using broker quotes reflecting current market conditions.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consisted of the following:

	December 31, 2023	June 30, 2024
	(In thousands)	
Accounts receivable	\$ 59,376	\$ 70,422
Less: allowance for doubtful accounts	(500)	(807)
Accounts receivable, net	\$ 58,876	\$ 69,615

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The movement of the allowance for doubtful accounts is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
(In thousands)				
Balance as of the beginning of the period	\$ (292)	\$ (563)	\$ (237)	\$ (500)
Additions charged to bad debt expense	52	(244)	(3)	(307)
Balance as of the end of the period	\$ (240)	\$ (807)	\$ (240)	\$ (807)

4. INVENTORIES

Inventories consisted of the following:

	December 31, 2023	June 30, 2024
	(In thousands)	
Products available for sale	\$ 92,059	\$ 147,600
Goods in transit	40,188	49,954
Inventories	\$ 132,247	\$ 197,554

5. LEASES

The Group leases its office space, fulfillment centers and other facilities under non-cancelable operating leases with various expiration dates. The Group also has equipment that is leased under non-cancelable finance leases. The Group considers various factors such as market conditions and the terms of any renewal options that may exist to determine whether it will renew or replace the lease. In the event the Group is reasonably certain to exercise the option to extend a lease, the Group will include the extended terms in the operating lease right-of-use asset and operating lease liability. Certain fulfillment center storage shelves are leased under finance leases, which have a fixed lease term of three years from the lease commencement dates. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Group recognizes lease expense for these leases on a straight-line basis over the lease term.

The gross amounts of assets and liabilities related to both operating and finance leases were as follows:

	Balance Sheet Caption	December 31, 2023		June 30, 2024		
		(In thousands)				
Assets:						
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 398,922	\$ 495,435			
Finance lease right-of-use assets	Property and equipment, net	8,616	5,890			
Total right-of-use assets		\$ 407,538	\$ 501,325			

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	Balance Sheet Caption	December 31, 2023	June 30, 2024		
		(In thousands)			
Liabilities:					
Current:					
Operating lease liabilities	Current operating lease liabilities	\$ (57,949)	\$ (76,404)		
Finance lease liabilities	Accrued expenses and other current liabilities	(1,666)	(549)		
Non-current:					
Operating lease liabilities	Operating lease liabilities, non-current	(343,511)	(440,595)		
Finance lease liabilities	Finance lease obligations, non-current	(111)	(196)		
Total lease liabilities		\$ (403,237)	\$ (517,744)		

The components of lease cost were as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2024	2023	2024
(In thousands)				
Operating lease cost	\$ 7,626	\$ 26,560	\$ 15,875	\$ 48,508
Finance lease cost				
Amortization of right-of-use assets	167	140	334	271
Interest on lease liabilities	236	44	331	105
Short-term lease costs	29	292	93	410
Total	\$ 8,058	\$ 27,036	\$ 16,633	\$ 49,294

Lease terms and discount rates are as follows:

	December 31, 2023	June 30, 2024
Weighted average remaining lease term (years):		
Operating leases	6.45	5.79
Finance leases	0.84	1.59
Weighted average discount rate:		
Operating leases	3.23 %	3.58 %
Finance leases	18.18 %	13.44 %

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Future minimum lease payments as of June 30, 2024, including rental payments for lease renewal options the Group was reasonably certain to exercise, were as follows:

	Operating leases	Finance leases
	(In thousands)	(In thousands)
Maturity of Lease Liabilities		
Remainder of 2024	\$ 43,464	\$ 552
Year Ended December 31, 2025	103,627	83
Year Ended December 31, 2026	106,064	67
Year Ended December 31, 2027	101,492	59
Year Ended December 31, 2028	91,150	59
Thereafter	137,208	16
Total lease payments	583,005	836
Less: imputed interest	(66,006)	(91)
Present value of lease liabilities	\$ 516,999	\$ 745

6. ORDINARY SHARES

On July 1, 2022, the Group entered into an agreement with Aegis Capital Corp. (the "Underwriter"), pursuant to which, the Group agreed to issue warrants to the Underwriter upon the completion of its Initial Public Offering (the "IPO") as additional compensation for the Underwriter's services, which entitles the Underwriter to purchase up to 1.0% of Class A ordinary shares sold in the IPO in the par value of \$ 0.05 per share, at the exercise price of 150% of the public offering price of \$ 12.25 per share.

In February 2024, the Underwriter exercised 29,400 of its warrants under cashless exercise for the Company to issue 13,372 Class A ordinary shares in aggregate. The shares were issued on February 16, 2024, February 23, 2024 and February 28, 2024. All warrants of the Underwriter have been exercised as of June 30, 2024.

In March 2024, 1,250,000 Class B ordinary shares were converted into equivalent number of Class A ordinary shares.

7. SHARE-BASED COMPENSATION

Restricted shares (the "RS")

A summary of the Company's restricted shares for the three and six months ended June 30, 2024 were presented below:

	Number of shares	Weighted average grant date fair value
Outstanding as of April 1, 2024	9,877	0.0015
Vested	(8,406)	0.0015
Outstanding as of June 30, 2024	1,471	0.0015
Expect to be vested at June 30, 2024	1,471	0.0015

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	Number of shares	Weighted average grant date fair value
Outstanding as of January 1, 2024	10,545	\$ 0.0015
Vested	(9,074)	0.0015
Outstanding as of June 30, 2024	1,471	0.0015
Expect to be vested at June 30, 2024	1,471	\$ 0.0015

As of June 30, 2024, unrecognized compensation expenses with trivial amount relating to the remaining 1,471 unvested restricted shares would cliff and cumulatively vested upon the satisfaction of the service condition.

Restricted share units (the “RSU”)

On April 1, 2024 and April 10, 2024, the Company granted 558,003 RSUs with no exercise price to employees with two types of vesting schedules of (1) vesting immediately after the grant or (2) vesting 50% immediately after the grant and cliff vesting the other 50% upon the satisfaction of one year service with the Group after the grant. Each of the RSUs granted is stipulated to vest following either of the two.

On June 26, 2024, the Group granted 98 RSUs to its employee with no exercise price. All of these RSUs vested on the grant date with no service condition stipulated.

A summary of the Company's RSU activities for the three and six months ended June 30, 2024 were presented below:

	Number of shares	Weighted average grant-date fair value
Outstanding as of January and April 1, 2024	412,397	5.23
Granted	558,101	30.87
Forfeited	(4,241)	5.01
Outstanding as of June 30, 2024	966,257	20.04
Exercisable as of June 30, 2024	815,997	17.95

As of June 30, 2024, unrecognized compensation expenses of \$ 3,474 thousand relating to the 150,260 unvested RSUs would be recognized in next twelve months.

8. INCOME TAX

The Company's provision for income tax in estimating the annual effective tax rate for the six months ended June 30, 2023 and 2024 was \$8,025 thousand and \$10,026 thousand respectively, representing effective income tax rates of 18.9% and 16.1%, respectively. Certain tax filing differences are not considered in estimating the effective income tax rate applied year to date.

The difference between the PRC income tax rate of 25.0% and GigaCloud Technology's overall income tax rate was primarily due to an income tax benefit on a favorable foreign rate differential and GigaCloud Suzhou's certificate for Advanced Technology Service Enterprise ("ATSE") qualification, which entitles the company to the preferential tax rate of 15%.

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(b unaudited)

9. NET INCOME PER ORDINARY SHARE

The following table sets forth the basic and diluted net income per ordinary share computation and provides a reconciliation of the numerator and denominator for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(in thousands)			
Numerator:				
Net income	\$ 18,390	\$ 26,969	\$ 34,331	\$ 54,164
Denominator:				
Weighted average number of ordinary shares outstanding				
- Basic	40,896,423	41,295,216	40,806,959	41,041,937
- Diluted	40,941,904	41,407,207	40,852,439	41,150,585
Net income per ordinary share attributable to ordinary shareholders				
- Basic	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32
- Diluted	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32

For the three and six months ended June 30, 2023, 14,958 unvested restricted shares with the exercise price of US\$ 7.48 per share are not included in the calculation of dilutive net income per ordinary share under the treasury stock method, as their exercise prices are higher than the fair market value of the Company's ordinary shares as of June 30, 2023, representing out-of-the-money impact from the holder's perspective.

For the three and six months ended June 30, 2023 and 2024, the potential dilutive securities that have been included in the calculation of diluted net income per ordinary share are presented as follow:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(in thousands)			
RSU	45,481	107,590	45,480	104,094
RS	—	4,401	—	4,554

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10. REVENUES

The Group's revenues are disaggregated by major products/service lines and timing of revenue recognition. Detailed information is specified as follows:

<u>Major products/services lines</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(In thousands)			
Service revenues				
Platform commission	\$ 2,591	\$ 4,479	\$ 4,893	\$ 8,077
Ocean transportation service	3,936	15,504	6,707	25,305
Warehousing service	5,304	9,589	10,961	18,916
Last-mile delivery service	22,916	41,550	41,524	72,305
Packaging service	3,920	7,686	6,788	13,965
Others	4,611	6,570	7,501	14,225
Total service revenues	43,278	85,378	78,374	152,793
Product revenues				
Product sales to B	14,743	73,968	27,544	125,402
Product sales to C	25,352	48,857	43,815	90,769
Off-platform ecommerce	40,095	122,825	71,359	216,171
GigaCloud 1P	69,757	102,442	131,194	192,601
Others	—	222	—	379
Total product revenues	109,852	225,489	202,553	409,151
Revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944

<u>Timing of revenue recognition</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(In thousands)			
Revenue from goods or services transferred to customers over time	\$ 34,776	\$ 71,403	\$ 63,173	\$ 126,018
Revenue from goods or services transferred to customers at a point in time	118,354	239,464	217,754	435,926
Revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944

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Contract Liabilities

Changes in the contract liabilities balances were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(In thousands)			
Balance as of beginning of the period	\$ 2,126	\$ 7,554	\$ 2,001	\$ 5,537
Revenue recognized from opening balance of contract liabilities	(2,126)	(7,554)	(2,001)	(5,537)
Increase due to cash received	96,416	158,619	178,448	280,650
Revenue recognized from cash received during the period	(94,316)	(152,113)	(176,351)	(274,116)
Foreign exchange effect	(7)	(9)	(4)	(37)
Balance as of end of the period	\$ 2,093	\$ 6,497	\$ 2,093	\$ 6,497

Contract liabilities relate to considerations received in advance for merchandise sales and services provided on GigaCloud Marketplace for which control of the services occur at a later point in time. The contract liabilities will be recognized as revenue when the Group fulfills its performance obligations to transfer the promised products or services to customers, which is expected to occur within one year.

The Group has elected the practical expedient under ASC 606-10-50-14(a) and does not disclose information regarding remaining performance obligations which are part of contracts that have an original expected duration of one year or less.

11. COMMITMENTS AND CONTINGENCIES

The Group leases offices and fulfillment centers under non-cancelable operating lease agreements. Future minimum lease payments under these noncancelable lease agreements with initial terms longer than three months are disclosed as maturity of lease liabilities in Note 5.

On March 9, 2024, one of our fulfillment centers in Japan experienced a fire. The fire destroyed our inventories located within the fulfillment center. The Group recognized losses of \$2.0 million as a result of the fire. Based on the provisions of our insurance policies, the gross losses have been reduced by the estimated insurance proceeds expected to be received from our insurance carrier. The Group has determined that partial recovery of the incurred losses is probable and therefore recorded an insurance receivable and insurance recovery of \$1.7 million for the six-month period ended June 30, 2024.

The Group may incur certain costs in connection with the reconstruction efforts of the leased fulfillment center following the fire. Notably, our insurance coverage extends to damages incurred by third parties. As of the date the unaudited condensed financial statements were issued, the Group is unable to reasonably estimate the extent of these costs. Consequently, no specific provision has been accrued in our financial statements related to the reconstruction efforts of the leased fulfillment center. We remain committed to monitoring the situation closely and will adjust our estimates accordingly as more information becomes available in subsequent reporting periods. As of June 30, 2024, the Group did not expect liabilities arising from reconstruction efforts, net of insurance recoveries, to materially adversely affect the Group's unaudited condensed consolidated results of operations or its financial condition.

The Group had no other material commitments or long-term obligations as of June 30, 2024.

12. SUBSEQUENT EVENTS

The Group evaluated subsequent events and transactions that occurred up to the date the unaudited condensed financial statements were issued. Based upon this review, the Group did not identify any subsequent events that would have required adjustment or disclosure in the unaudited condensed financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the 2023 Form 10-K and the unaudited condensed consolidated financial statements and related notes thereto included in this quarterly report on Form 10-Q.

In addition to historical information, this report contains forward-looking statements that involve risks and uncertainties which may cause our actual results to differ materially from plans and results discussed in forward-looking statements or those implied in historical results and trends. We encourage you to review the risks and uncertainties discussed in the sections entitled Item 1A. "Risk Factors" and "Forward-Looking Statements" included in the 2023 Form 10-K and this quarterly report on Form 10-Q.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a pioneer of global end-to-end B2B ecommerce solutions for large parcel merchandise. We generate revenues primarily through three revenue streams:

- **GigaCloud 3P:** generates service revenues, including revenues from platform commission, ocean transportation service, warehousing service, last-mile delivery service, packaging service and others, by facilitating transactions between sellers and buyers in our GigaCloud Marketplace.
- **GigaCloud 1P:** generates product revenues through the sale of our inventory in our GigaCloud Marketplace.
- **Off-platform ecommerce:** generates product revenues through the sale of our inventory to and through third-party ecommerce websites.

GMV from GigaCloud 3P and GigaCloud 1P together make up our GigaCloud Marketplace GMV, and GMV from off-platform ecommerce and GigaCloud Marketplace GMV together make up our total GMV across the platforms. These three revenue streams complement each other to improve our value proposition to sellers and buyers in our GigaCloud Marketplace.

Key Financial and Operating Metrics

We monitor the following key financial and operating metrics to evaluate the growth of our GigaCloud Marketplace, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. The financial impact from the acquisitions of Noble House and Wondersign was reflected in our unaudited condensed consolidated financial results since the completion of the acquisitions in the fourth quarter of 2023. In the second quarter of 2024, we introduced Noble House-related SKUs to our GigaCloud Marketplace, which contributed to a one-time uplift in our operating metrics. The operating impact from these acquisitions has been reflected in the operating metrics in our GigaCloud Marketplace since April 1, 2024.

The following tables set forth our key financial and operating metrics for the periods indicated:

Key Financial Statement Metrics:	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2024	2023	2024
(In thousands, except for per share data)				
Total revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944
Gross profit	40,364	76,447	69,938	142,995
Operating income	23,400	27,448	41,256	62,265
Net income	18,390	26,969	34,331	54,164
Net income per ordinary share				
—Basic	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32
—Diluted	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32

Non-GAAP Financial Metrics ⁽¹⁾ :	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2024	2023	2024
(In thousands, except for per share data)				
Adjusted EBITDA	\$ 24,869	\$ 42,744	\$ 44,716	\$ 77,241
Adjusted EPS – diluted	\$ 0.61	\$ 1.03	\$ 1.09	\$ 1.88

(1) See "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation—Non-GAAP Financial Measures" for information regarding our use of Adjusted EBITDA and Adjusted EPS – diluted and a reconciliation of net income to Adjusted EBITDA and net income per ordinary share – diluted to Adjusted EPS – diluted.

Key Operating Metrics:	12 Months Ended June 30,	
	2023	2024
GigaCloud Marketplace GMV (in \$ thousands)	\$ 607,524	\$ 1,097,808
Active 3P sellers	665	930
3P seller GigaCloud Marketplace GMV (in \$ thousands)	\$ 324,664	\$ 571,913
Active buyers	4,351	7,257
Spend per active buyer (in \$)	\$ 139,629	\$ 151,276

GigaCloud Marketplace GMV

The growth in GigaCloud Marketplace GMV, including GMV from both GigaCloud 3P and GigaCloud 1P, reflects our ability to attract and retain sellers and buyers in the GigaCloud Marketplace. The revenues we generate in our marketplace are highly correlated to the amount of GMV transacted in the GigaCloud Marketplace.

GigaCloud Marketplace GMV increased from \$607.5 million in the 12 months ended June 30, 2023 to \$1,097.8 million in the 12 months ended June 30, 2024, representing a growth of 80.7% period-over-period, primarily due to the continued increase in the numbers of sellers and buyers transacting in our marketplace and an increase in spend per active buyer as our marketplace continued to gain scale and market position. In the second quarter of 2024, we introduced Noble House-related SKUs to our GigaCloud Marketplace, which contributed to approximately \$56.6 million of GMV in the three months ended June 30, 2024.

Active 3P Sellers

The number of active 3P sellers in the GigaCloud Marketplace increased from 665 in the 12 months ended June 30, 2023 to 930 in the 12 months ended June 30, 2024, representing an increase of 39.8% period-over-period. We view active 3P sellers as a key driver of the product catalog in our marketplace, which helps attract and retain buyers. The GigaCloud Marketplace offers SKUs across furniture, home appliances, fitness equipment and other large parcel categories from our active 3P sellers. The number of SKUs from active 3P sellers increased from 22,101 as of December 31, 2023 to 27,286 as of June 30, 2024. We expect to grow the number of active 3P sellers through geographic expansion, suppliers outreach, marketing initiatives, referrals and word-of-mouth. We also leverage our 1P inventory sales to establish new markets, reducing the risk in geographic expansion for new sellers, and increasing the appeal for new sellers to join our marketplace.

3P Seller GigaCloud Marketplace GMV

3P Seller GigaCloud Marketplace GMV represents the GMV our 3P Sellers transact in the GigaCloud Marketplace. 3P Seller GigaCloud Marketplace GMV was \$324.7 million in the 12 months ended June 30, 2023 and \$571.9 million in 12 months ended June 30, 2024, representing an increase of 76.1% period-over-period. 3P Seller GigaCloud Marketplace GMV represented 53.4% and 52.1% of total GigaCloud Marketplace GMV in the 12 months ended June 30, 2023 and June 30, 2024, respectively.

Active Buyers

The number of active buyers in the GigaCloud Marketplace increased from 4,351 in the 12 months ended June 30, 2023 to 7,257 in the 12 months ended June 30, 2024, representing an increase of 66.8% period-over-period. We view the number of active buyers as a key driver of GMV and revenue for our GigaCloud Marketplace. We plan to expand our active buyers by on-boarding the brick-and-mortar retailers that are subscribed to the Wondersign's Catalog Kiosk, enhancing our marketplace product categories, and leveraging referrals from existing users.

Spend Per Active Buyer

The spend per active buyer in our GigaCloud Marketplace increased from \$139,629 in the 12 months ended June 30, 2023 to \$151,276 in the 12 months ended June 30, 2024, representing an increase of 8.3% period-over-period. Spend per active buyer is a key driver of GMV and revenue for our GigaCloud Marketplace. We are growing spend per active buyer by expanding our product categories, increasing buyer's purchase frequency and raising the average price per purchase. The increase in spend per active buyer for the 12 months ended June 30, 2024 was primarily due to expanded product catalog, increase in the mix of higher priced products, improved shopping experience in our marketplace and our enhanced supply chain capabilities for better fulfillment.

Key Factors Affecting Our Results of Operations

Key factors affecting our results of operations include the following:

Our Ability to Attract and Retain Sellers

Sellers in our marketplace are typically manufacturers operating in Asia who utilize our supply chain capabilities to establish overseas sales channels without having to invest in their own logistics or fulfillment centers overseas. We are focused on growing and retaining the number of sellers who choose to list their large parcel merchandise in our marketplace and utilize our fulfillment and logistics network for the shipping and handling of their products.

Our number of active 3P sellers was 930 in the 12 months ended June 30, 2024, compared to 665 in the 12 months ended June 30, 2023, representing an increase of 39.8% from 12 months ended June 30, 2023. We believe this increasing trend will continue because of the growing recognition of our marketplace, our seller-friendly comprehensive fulfillment and logistics network which enables hassle-free delivery of large parcel merchandise and our expansion into new markets.

Using our marketplace, sellers are able to quickly gain access to key global markets in which we operate, including the U.S., the U.K., Germany, Japan and Canada. We provide a flat rate program for shipping and handling, and sellers are able to utilize the storage space in our fulfillment centers. We also create sales analytics which provide valuable information as sellers determine which products to bring to market.

We attract new sellers predominantly through organic channels such as geographic expansion, suppliers outreach, marketing initiatives, referrals and word-of-mouth. In 2023, we completed the acquisitions of Noble House and Wondersign, which supplemented our supply chain, fulfillment and logistics capabilities and we expect to attract more sellers and buyers into our GigaCloud Marketplace after these strategic acquisitions. We also plan to augment organic customer acquisition by adding additional sales and marketing employees to enhance seller and buyer growth.

Our Ability to Attract and Retain Buyers

Buyers in our marketplace are typically resellers operating in the U.S., Asia and Europe who procure large parcel merchandise to resell to end customers. Our marketplace is attractive to buyers because we minimize inventory risk from our buyers' business operations. Our buyers can browse a product in our marketplace and list the product on their preferred ecommerce websites such as Rakuten, Amazon, Walmart, Wayfair, Home Depot and OTTO, or their own store prior to procuring and storing the product in a warehouse or shop. Once a sale to the end customer takes place, buyers can order the product in our marketplace and we will handle the fulfillment directly to the end customer.

In the 12 months ended June 30, 2024, we had 7,257 active buyers in our marketplace with an average \$151,276 spend per active buyer, representing a 66.8% increase in active buyers and 8.3% increase in spend per active buyer compared to the 4,351 active buyers in our marketplace with an average \$139,629 spend per active buyer in the 12 months ended June 30, 2023, primarily attributable to increased scale and recognition of our marketplace and an increase in the number of global sales channels for buyers to resell products to end customers.

Recent Acquisitions

In addition to organic growth, we have grown through acquisitions that have deepened and expanded our presence in current markets and facilitated entry into attractive new markets.

In 2023, we completed the acquisition of Noble House, a leading B2B distributor of indoor and outdoor home furnishing, for an aggregate consideration of approximately \$77.6 million, and the acquisition of Wondersign, a cloud-based interactive digital signage and e-catalog management SaaS company, for an aggregate purchase price of approximately \$10.0 million.

Following the acquisitions, our results of operations are affected by the newly acquired businesses or operations, the purchase accounting for the acquisition and expenditures made to integrate the newly acquired businesses or operations. As a result of our acquisitions and the consolidation of our operating subsidiaries' financial results into our consolidated financial results, the periods presented in our historical financial statements may not be comparable to one another and our future results of operations and financial results may also differ.

Overall Economic Trends

The overall economic environment and related changes in customer behavior have a significant impact on our business. Customer spending on our products and services is primarily discretionary, and therefore positive economic conditions generally drive stronger business performance.

Recent global economic uncertainties, inflation, higher interest rates, lower consumer confidence and demand for discretionary goods, and geopolitical events such as recent international trade disputes and the ongoing wars in Ukraine and in Israel and Gaza, including the related disruptions to international shipping in the Red Sea could impact the demand of products and shipping and freight rates. Other macroeconomic factors that can affect customer spending patterns include employment rates, availability of customer credit, interest rates, tax rates and energy costs.

Our Ability to Broaden Service Offerings

Our results of operations are also affected by our ability to introduce new service offerings. We have a history of expanding our service offering to enhance our customer experience and to increase revenues. We started our business by primarily selling our own self-procured large parcel merchandise directly to end customers. We expanded our service offerings and launched our GigaCloud Marketplace in 2019, and the revenues generated by GigaCloud Marketplace grew quickly, representing 74.6% and 61.5% of our total revenues in the six months ended June 30, 2023 and 2024, respectively. We continue to evaluate opportunities to launch additional services.

Our Ability to Effectively Invest in our Infrastructure and Technology Platform

Our results of operations depend in part on our ability to invest in our infrastructure and technology platform to cost-effectively meet the demands of our anticipated growth. Our global fulfillment and logistics network is a key part of

our infrastructure, which consists of fulfillment centers and other facilities that are strategically located, designed and equipped to efficiently manage inventory and to fulfill customers orders and other needs. As of June 30, 2024, we leased 40 fulfillment centers with an aggregate gross floor area of approximately 10.5 million square feet in five countries, and two other facilities with storage and showroom functions with an aggregate gross floor area of approximately 18,348 square feet in the U.S. Additionally, we maintain partnerships with several major shipping, trucking and freight service providers to supplement our transportation network and shipping requirements.

Our ability to improve our operational efficiency depends on our ability to invest in our infrastructure and technology platform, including our warehousing and fulfillment solutions and AI technology. We also invest in our research and development personnel for the design, development, and testing of our platform, and incur software development costs for the internal-use software and our group's websites. We have successfully improved our infrastructure and technology solutions over the past years.

Seasonality

We believe that sales of home furniture and other large parcel items are subject to modest seasonality. We expect the last quarter of the year to be the most active because of the November and December holiday sales period. Our GigaCloud Marketplace GMV is usually the largest in the fourth quarter of a year. It is uncertain whether this is an indicator of industry trends going forward.

Key Components of Results of Operations

Revenues

We generate service revenues from our GigaCloud 3P business, and product revenues from our GigaCloud 1P, off-platform ecommerce businesses and others. Service revenues from GigaCloud 3P, including revenues from platform commission, ocean transportation service, warehousing service, last-mile delivery service, packaging service and others are generated by facilitating transactions between sellers and buyers in our GigaCloud Marketplace. Product revenues from GigaCloud 1P are generated through the product sales of our inventory through our GigaCloud Marketplace, and product revenues from off-platform ecommerce are generated from product sales of our inventory to and through third-party ecommerce websites.

The following table sets forth the breakdown of our revenues, both in absolute amount and as a percentage of our total revenues, for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
(unaudited)								
Revenues								
Service revenues								
Platform commission	\$ 2,591	1.7	\$ 4,479	1.4	\$ 4,893	1.7	\$ 8,077	1.4
Ocean transportation service	3,936	2.6	15,504	5.0	6,707	2.4	25,305	4.5
Warehousing service	5,304	3.5	9,589	3.1	10,961	3.9	18,916	3.4
Last-mile delivery service	22,916	15.0	41,550	13.4	41,524	14.8	72,305	12.9
Packaging service	3,920	2.6	7,686	2.5	6,788	2.4	13,965	2.5
Others	4,611	3.0	6,570	2.1	7,501	2.7	14,225	2.5
Subtotal	43,278	28.3	85,378	27.5	78,374	27.9	152,793	27.2
Product revenues								
Off-platform ecommerce	40,095	26.2	122,825	39.5	71,359	25.4	216,171	38.5
GigaCloud 1P	69,757	45.6	102,442	33.0	131,194	46.7	192,601	34.3
Others	—	—	222	0.1	—	—	379	0.1
Subtotal	109,852	71.7	225,489	72.5	202,553	72.1	409,151	72.8
Total	\$ 153,130	100.0	\$ 310,867	100.0	\$ 280,927	100.0	\$ 561,944	100.0

Revenues reported are attributed to geographic areas based on locations of our fulfillment centers, except for platform commission revenues which are attributed to Hong Kong, where the server of the GigaCloud Marketplace is located. The following table sets forth the breakdown of our revenues by geographic regions for the periods presented:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2024	2023	2024
(In thousands) (unaudited)				
Revenues by geographic regions:				
Service revenues	\$ 43,278	\$ 85,378	\$ 78,374	\$ 152,793
Platform commission	2,591	4,479	4,893	8,077
Hong Kong	2,591	4,479	4,893	8,077
Ocean transportation service	3,936	15,504	6,707	25,305
United States	3,892	15,436	6,655	25,177
Others ⁽¹⁾	44	68	52	128
Warehousing service	5,304	9,589	10,961	18,916
United States	5,111	9,326	10,531	18,416
Others ⁽¹⁾	193	263	430	500
Last-mile delivery service	22,916	41,550	41,524	72,305
United States	22,027	38,090	40,036	66,578
Others ⁽¹⁾	889	3,460	1,488	5,727
Packaging service	3,920	7,686	6,788	13,965
United States	3,684	6,921	6,376	12,674
Others ⁽¹⁾	236	765	412	1,291
Others	4,611	6,570	7,501	14,225
United States	4,390	5,985	7,191	13,553
Others ⁽¹⁾	221	585	310	672
Product revenues	109,852	225,489	202,553	409,151
United States	79,583	169,067	150,088	309,388
Japan	11,383	10,579	21,574	20,520
Germany	13,923	40,092	23,263	69,365
Others ⁽¹⁾	4,963	5,751	7,628	9,878
Total revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944

(1) No other individual region's revenues exceeded 10% of our total revenues for the three and six months ended June 30, 2023 and 2024.

Service Revenues—GigaCloud 3P

We derive service revenues primarily through the various 3P activities of sellers and buyers in the GigaCloud Marketplace, including revenues from platform commission, ocean transportation service, warehousing service, last-mile delivery service, packaging service and others. When a seller and buyer enter into a transaction in GigaCloud Marketplace, we generate revenues from platform services by earning a percentage commission depending on the transaction value. The standard commission ranges between 1% and 5%. Additionally, we charge a fulfillment fee for other freight services such as delivery of products via ocean transportation. We charge the sellers storage fees based on the number of days and the size of the products that are stored in our fulfillment centers, and we charge buyers a flat fee for last-mile delivery services for delivery of products to end customers directly from our fulfillment centers, which varies by the weight of the products. We also charge packaging fees in connection with merchandise that we pack and ship.

From time to time in the three and six months ended June 30, 2024, when we had excess fulfillment capacity, we utilized such excess fulfillment capacity and our extensive logistics network to offer third-party logistics services to customers to help fulfill their large parcel transportation needs. As we continue to grow our GigaCloud Marketplace, we expect to dedicate our logistics capacity to customers using our marketplace and to products sold on our own marketplace, and will opportunistically provide third-party logistics services when there is excess capacity within our network.

Product Revenues—GigaCloud 1P

We derive product revenues from the sales of products through selling our own inventory in our marketplace. This 1P business creates more products for buyers, gives us insights into seller needs, provides us with proprietary data and increases the velocity of sales in our marketplace.

Product Revenues—Off-platform Ecommerce

We derive product revenues primarily from the sales of our own inventory through two sales models, which are (i) product sales made to third-party ecommerce websites, or Product Sales to B, such as Wayfair, Walmart, Home Depot, Amazon, Target and Overstock; and (ii) product sales to individual customers through third-party ecommerce websites, or Product Sales to C, such as Rakuten, Amazon and OTTO, where end customers can visit our online stores and purchase directly from us. Regarding Product Sales to B, as expenses charged by these websites are not in exchange for a distinct good or service, the payments to these websites are not recognized as expenses but as recorded net of revenues. With respect to Product Sales to C, expenses incurred for product sales made through these websites are recorded as selling and marketing expenses.

Cost of Revenues

Our cost of revenues primarily consists of cost of services and cost of product sales. The following table sets forth the breakdown of our cost of revenues, both in absolute amount and as a percentage of our total revenues, for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
(unaudited)								
Cost of revenues								
Services	\$ 34,782	22.7	\$ 74,040	23.8	\$ 63,549	22.6	\$ 128,471	22.9
Product sales	77,984	50.9	160,380	51.6	147,440	52.5	290,478	51.7
Total	\$ 112,766	73.6	\$ 234,420	75.4	\$ 210,989	75.1	\$ 418,949	74.6

Cost of Services

Cost of services primarily consists of domestic delivery costs, an allocated portion of fulfillment center rental expenses, and costs associated with the operation of the GigaCloud Marketplace.

Cost of Product Sales

Cost of product sales primarily consists of the purchase price of merchandise, shipping and handling costs for self-owned merchandise, rental expenses for fulfillment centers excluding the portion allocated to cost of service revenue and abnormal capacity, packaging fees and personnel related costs. Shipping and handling costs primarily consist of those costs incurred during the process of delivery in North America and markets in other regions, including the expenses attributable to shipment and handling activities, when we deliver a good to a customer.

Gross Profit and Margin

The table below sets forth a breakdown of our gross profit and gross profit margin for each of the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
Gross Profit								
Gross Profit	\$ 40,364	\$ 76,447	\$ 69,938	\$ 142,995				
Gross margin (%)	26.4 %		24.6 %		24.9 %		25.4 %	

Operating Expenses

Our operating expenses consist of selling and marketing expenses, general and administrative expenses, research and development expenses and losses on disposal of property and equipment. The following table sets forth the breakdown of our operating expenses, both in absolute amount and as a percentage of our total revenues, for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
Operating expenses								
Selling and marketing expenses	\$ 9,535	6.2	\$ 19,460	6.3	\$ 16,431	5.8	\$ 34,040	6.1
General and administrative expenses	6,897	4.5	26,280	8.5	11,047	3.9	41,669	7.4
Research and development expenses	532	0.3	3,097	1.0	1,204	0.4	4,853	0.9
Losses on disposal of property and equipment	—	—	162	0.1	—	—	168	—
Total operating expenses	\$ 16,964	11.1	\$ 48,999	15.8	\$ 28,682	10.2	\$ 80,730	14.4

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of platform service fees charged by third-party ecommerce websites arising from Product sales to C on Off-platform ecommerce channels, advertising expenses, and payroll and related expenses for personnel engaged in selling and marketing activities, and rental and depreciation expenses relating to facilities and equipment used by those employees. Advertising expenses include advertisements through various forms of media and marketing and promotional activities.

The following table sets forth the breakdown of our selling and marketing expenses, both in absolute amount and as a percentage of our total revenues, for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
Selling and marketing expenses								
Staff cost	\$ 4,915	3.2	\$ 9,502	3.1	\$ 8,487	3.0	\$ 15,128	2.7
Platform service fees	3,700	2.4	7,803	2.5	6,365	2.3	14,425	2.6
Advertising expenses	557	0.4	1,375	0.4	955	0.3	3,244	0.6
Traveling	148	0.1	235	0.1	226	0.1	323	0.1
Others	215	0.1	545	0.2	398	0.1	920	0.2
Total selling and marketing expenses	\$ 9,535	6.2	\$ 19,460	6.3	\$ 16,431	5.8	\$ 34,040	6.1

General and Administrative Expenses

Our general and administrative expenses primarily consist of share-based compensation, payroll and related costs for employees involved in general corporate functions, rental and depreciation expenses associated with the use of facilities and equipment by these employees, rental expenses associated with excess capacity in fulfillment centers, professional fees, property insurance and other general corporate expenses.

The following table sets forth the breakdown of our general and administrative expenses, both in absolute amount and as a percentage of our total revenues, for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2024		2023		2024	
	\$	%	\$	%	\$	%	\$	%
(In thousands, except for percentages)								
General and administrative expenses								
Staff cost	\$ 3,411	2.2	\$ 14,136	4.5	\$ 5,441	1.9	\$ 20,294	3.6
Professional fees	1,579	1.0	2,701	0.9	2,309	0.8	4,999	0.9
Rental and depreciation	671	0.4	6,158	2.0	1,306	0.5	9,818	1.7
Office supplies and utility	422	0.3	1,229	0.4	688	0.2	2,302	0.4
Property insurance	208	0.1	908	0.3	447	0.2	1,575	0.3
Others	606	0.4	1,148	0.4	856	0.3	2,681	0.5
Total general and administrative expenses	\$ 6,897	4.5	\$ 26,280	8.5	\$ 11,047	3.9	\$ 41,669	7.4

Research and Development Expenses

Our research and development expenses primarily consist of IT- and platform-related personnel costs, including share-based compensation expense associated with our engineering, programming, data analytics, and product development personnel responsible for the design, development, and testing of our platform, rental and depreciation expenses associated with the use of facilities and equipment of research and development personnel, and information technology costs.

Losses on Disposal of Property and Equipment

Our losses on disposal of property and equipment primarily consist of the losses on the disposal of old and obsolete property and equipment.

Interest Expense

Our interest expense primarily consists of our financial lease interest expense for leased equipment used in our fulfillment centers and other facilities in the U.S.

Interest Income

Our interest income primarily consists of interest income from bank deposits, wealth management products and investment.

Foreign Currency Exchange Gains (Losses), Net

Our foreign exchange gains and losses represent the gains or losses due to appreciation or depreciation of the U.S. dollar against Japanese Yen, the Euro, Canadian dollar and the British Pound.

Government Grants

Our income from government grants primarily consists of industry related government subsidies.

Income Tax Expense

Our income tax expense primarily consists of current tax expense, deferred tax expense and uncertain tax positions.

Results of Operations

The following table sets forth a summary of our unaudited condensed consolidated results of operations, both in absolute amount and as a percentage of our total revenues, for the periods presented. This information should be read together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this quarterly report. The results of operations in any period are not necessarily indicative of our future trends.

	Three Months Ended				Six Months Ended			
	June 30,				June 30,			
	2023	2024	\$	%	2023	2024	\$	%
(In thousands, except for percentages)								
(unaudited)								
Revenues								
Service revenues	\$ 43,278	28.3	\$ 85,378	27.5	\$ 78,374	27.9	\$ 152,793	27.2
Product revenues	109,852	71.7	225,489	72.5	202,553	72.1	409,151	72.8
Total revenues	153,130	100.0	310,867	100.0	280,927	100.0	561,944	100.0
Cost of revenues								
Services	34,782	22.7	74,040	23.8	63,549	22.6	128,471	22.9
Product sales	77,984	50.9	160,380	51.6	147,440	52.5	290,478	51.7
Total cost of revenues	112,766	73.6	234,420	75.4	210,989	75.1	418,949	74.6
Gross profit	40,364	26.4	76,447	24.6	69,938	24.9	142,995	25.4
Operating expenses								
Selling and marketing expenses	9,535	6.2	19,460	6.3	16,431	5.8	34,040	6.1
General and administrative expenses	6,897	4.5	26,280	8.5	11,047	3.9	41,669	7.4
Research and development expenses	532	0.3	3,097	1.0	1,204	0.4	4,853	0.9
Losses on disposal of property and equipment	—	—	162	0.1	—	—	168	—
Total operating expenses	16,964	11.1	48,999	15.8	28,682	10.2	80,730	14.4
Operating income	23,400	15.3	27,448	8.8	41,256	14.7	62,265	11.1
Interest expense	(804)	(0.5)	(59)	—	(917)	(0.3)	(140)	—
Interest income	484	0.3	2,244	0.7	1,074	0.4	3,853	0.7
Foreign currency exchange gains (losses), net	(815)	(0.5)	(1,107)	(0.4)	570	0.2	(3,816)	(0.7)
Government grants	395	0.3	2	—	395	0.1	8	—
Others, net	(1)	—	506	0.2	(22)	—	184	—
Income before income taxes	22,659	14.8	29,034	9.3	42,356	15.1	62,354	11.1
Income tax expense	(4,269)	(2.8)	(2,065)	(0.7)	(8,025)	(2.9)	(8,190)	(1.5)
Net income	\$ 18,390	12.0	\$ 26,969	8.7	\$ 34,331	12.2	\$ 54,164	9.6

Comparison of Three Months Ended June 30, 2024 and 2023

Revenues

Our revenues, which primarily consist of service revenues generated from GigaCloud 3P and product revenues generated from GigaCloud 1P and off-platform ecommerce sales, increased by 103.1% from \$153.1 million in the three months ended June 30, 2023 to \$310.9 million in the three months ended June 30, 2024. This increase was primarily due to the increased market recognition and scale of our GigaCloud Marketplace, leading to increases in our GigaCloud Marketplace GMV, sales volume and number of sellers and buyers.

- *Service Revenues from GigaCloud 3P.* Our service revenues increased by 97.2% from \$43.3 million in the three months ended June 30, 2023 to \$85.4 million in the three months ended June 30, 2024. The increase was attributable to:
 - an increase in revenues from last mile delivery services by 81.7% from \$22.9 million in the three months ended June 30, 2023 to \$41.6 million in the three months ended June 30, 2024 as our GigaCloud Marketplace GMV and delivery volume continued to increase;

- an increase in revenues from ocean transportation services by 297.4% from \$3.9 million in the three months ended June 30, 2023 to \$15.5 million in the three months ended June 30, 2024 as our GigaCloud Marketplace GMV and delivery volume continued to increase, as well as an increase in the pricing of ocean transportation services during the period;
- an increase in revenues from warehousing services by 81.1% from \$5.3 million in the three months ended June 30, 2023 to \$9.6 million in the three months ended June 30, 2024 as we handled more products as our GigaCloud Marketplace GMV continued to increase;
- an increase in revenues from packaging services by 97.4% from \$3.9 million in the three months ended June 30, 2023 to \$7.7 million in the three months ended June 30, 2024 as we handled more products as our GigaCloud Marketplace GMV continued to increase; and
- an increase in revenues from other services by 43.5% from \$4.6 million in the three months ended June 30, 2023 to \$6.6 million in the three months ended June 30, 2024, primarily due to an increase in other supplemental fulfillment services provided by our Marketplace compared to the previous period and inclusion of subscription revenues from Wondersign in the three months ended June 30, 2024.

- *Product Revenues from GigaCloud 1P.* Our product revenues from GigaCloud 1P increased by 46.7% from \$69.8 million in the three months ended June 30, 2023 to \$102.4 million in the three months ended June 30, 2024. The increase was primarily due to increases in GigaCloud Marketplace GMV, the number of buyers and spend per active buyer as our marketplace continued to grow in scale.
- *Product Revenues from Off-platform Ecommerce.* Our product revenues from off-platform ecommerce increased by 206.2% from \$40.1 million in the three months ended June 30, 2023 to \$122.8 million in the three months ended June 30, 2024. The increase was primarily due to increases in sales channels and sales volume in certain third-party off-platform ecommerce.

Cost of Revenues

Our cost of revenues increased by 107.8% from \$112.8 million in the three months ended June 30, 2023 to \$234.4 million in the three months ended June 30, 2024.

- Our cost of services increased by 112.6% from \$34.8 million in the three months ended June 30, 2023 to \$74.0 million in the three months ended June 30, 2024, primarily due to:
 - an increase in delivery cost by 115.1% from \$23.9 million ¹ in the three months ended June 30, 2023 to \$51.4 million in the three months ended June 30, 2024 as ocean freight costs and our sales increased during the period;
 - an increase in rental cost by 146.7% from \$4.5 million in the three months ended June 30, 2023 to \$11.1 million in the three months ended June 30, 2024 as we increased the number of fulfillment centers to 40 globally in the three months ended June 30, 2024, compared to 21 fulfillment centers in the three months ended June 30, 2023;
 - an increase in staff cost by 53.7% from \$4.1 million in the three months ended June 30, 2023 to \$6.3 million in the three months ended June 30, 2024; and
 - an increase in other cost of services by 94.7% from \$1.9 million in the three months ended June 30, 2023 to \$3.7 million in the three months ended June 30, 2024.
- Our cost of product sales increased by 105.6% from \$78.0 million in the three months ended June 30, 2023 to \$160.4 million in the three months ended June 30, 2024, primarily due to:
 - an increase in product cost by 98.3% from \$60.4 million in the three months ended June 30, 2023 to \$119.8 million in the three months ended June 30, 2024 as sales volume, as well as shipping costs to procure our inventories, including ocean freight costs, increased during the period;
 - an increase in delivery cost by 67.0% from \$10.6 million in the three months ended June 30, 2023 to \$17.7 million in the three months ended June 30, 2024 consistent with the increase in our increased sales volume;

¹ This figure has been adjusted to reflect a reclassification of ocean freight cost from within delivery cost to other costs of services.

- an increase in rental cost by 234.1% from \$4.4 million in the three months ended June 30, 2023 to \$14.7 million in the three months ended June 30, 2024, as we increased the number of fulfillment centers to 40 globally in the three months ended June 30, 2024, compared to 21 fulfillment centers in the three months ended June 30, 2023;
- an increase in staff cost by 172.7% from \$2.2 million in the three months ended June 30, 2023 to \$6.0 million in the three months ended June 30, 2024; and
- an increase in depreciation costs from \$0.1 million in the three months ended June 30, 2023 to \$1.2 million in the three months ended June 30, 2024.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 89.1% from \$40.4 million in the three months ended June 30, 2023 to \$76.4 million in the three months ended June 30, 2024. Our gross margin slightly decreased from 26.4% in the three months ended June 30, 2023 to 24.6% in the three months ended June 30, 2024, primarily due to increases in ocean freight costs and rental costs.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 105.3% from \$9.5 million in the three months ended June 30, 2023 to \$19.5 million in the three months ended June 30, 2024, which was primarily due to (i) an increase in platform service fee we incurred on certain third-party ecommerce websites by 110.8% from \$3.7 million in the three months ended June 30, 2023 to \$7.8 million in the three months ended June 30, 2024 as sales volume and sales channels both increased, (ii) an increase in staff cost related to selling and marketing personnel by 93.9% from \$4.9 million in the three months ended June 30, 2023 to \$9.5 million in the three months ended June 30, 2024 primarily relating to share-based compensation expenses incurred for awards granted and vested within Q2 2024, and (iii) an increase in advertising expense by 133.3% from \$0.6 million in the three months ended June 30, 2023 to \$1.4 million in the three months ended June 30, 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 281.2% from \$6.9 million in the three months ended June 30, 2023 to \$26.3 million in the three months ended June 30, 2024, which was primarily due to (i) an increase in staff cost related to general and administrative personnel by 314.7% from \$3.4 million in the three months ended June 30, 2023 to \$14.1 million in the three months ended June 30, 2024 primarily relating to share-based compensation expenses incurred for awards granted and vested within Q2 2024, (ii) an increase in rental expense by 785.7% from \$0.7 million in the three months ended June 30, 2023 to \$6.2 million in the three months ended June 30, 2024, primarily because the expenses for certain newly acquired fulfillment centers that are currently under preparation for use were included in rental expense in the three months ended June 30, 2024, as compared to cost of revenues in the three months ended June 30, 2023, as well as an increase in the number of corporate offices in the three months ended June 30, 2024 compared to the previous period, (iii) an increase in professional service expense by 68.8% from \$1.6 million in the three months ended June 30, 2023 to \$2.7 million in the three months ended June 30, 2024 as we engaged additional professional services from our financial and legal advisors in the three months ended June 30, 2024 compared to the previous period, and (iv) an increase in property insurance expense by 350.0% from \$0.2 million in the three months ended June 30, 2023 to \$0.9 million in the three months ended June 30, 2024.

Research and Development Expenses

Research and development expenses increased by 520.0% from \$0.5 million in the three months ended June 30, 2023 to \$3.1 million in the three months ended June 30, 2024. The increase was primarily due to our dedication in expanding our research and development efforts, including an increase in the number of research and development projects and the number of employees to perform research and development function, as well as share-based compensation expenses incurred for awards granted and vested to research and development personnel in the three months ended June 30, 2024 compared to the previous period.

Losses on Disposal of Property and Equipment

We had losses on disposal of property and equipment of \$162 thousand in the three months ended June 30, 2024, compared to nil in the three months ended June 30, 2023.

Interest Expense

We had interest expenses of \$804 thousand in the three months ended June 30, 2023 and \$59.0 thousands in the three months ended June 30, 2024. The decrease was primarily attributable to a decrease in the balance of finance lease liabilities.

Interest Income

We had interest income of \$0.5 million in the three months ended June 30, 2023 and \$2.2 million in the three months ended June 30, 2024. The increase was primarily attributable to higher average bank deposits, wealth management products and investment and interest rates in the three months ended June 30, 2024 compared to the previous period.

Foreign Currency Exchange Losses, Net

We had foreign currency exchange losses, net of \$0.8 million in the three months ended June 30, 2023, compared to \$1.1 million in the three months ended June 30, 2024, primarily attributable to the continue appreciation of U.S. dollars against Japanese Yen in the three months ended June 30, 2024.

Government Grants

We had government grant of \$395 thousand and \$2 thousand in the three months ended June 30, 2023 and 2024, respectively.

Others, net

Others losses, net was \$1 thousand in the three months ended June 30, 2023 and others gains, net was \$506 thousand in the three months ended June 30, 2024.

Income Tax Expense

We had income tax expense of \$4.3 million and \$2.1 million in the three months ended June 30, 2023 and 2024, respectively.

Net Income

As a result of the foregoing, our net income was \$18.4 million and \$27.0 million in the three months ended June 30, 2023 and 2024, respectively.

Comparison of Six Months Ended June 30, 2024 and 2023

Revenues

Our revenues, which primarily consist of service revenues generated from GigaCloud 3P and product revenues generated from GigaCloud 1P and off-platform ecommerce sales, increased by 100.0% from \$280.9 million in the six months ended June 30, 2023 to \$561.9 million in the six months ended June 30, 2024. This increase was primarily due to the increased market recognition and scale of our GigaCloud Marketplace, leading to increases in our GigaCloud Marketplace GMV, sales volume and number of sellers and buyers.

- *Service Revenues from GigaCloud 3P.* Our service revenues increased by 94.9% from \$78.4 million in the six months ended June 30, 2023 to \$152.8 million in the six months ended June 30, 2024. The increase was attributable to:
 - an increase in revenues from last mile delivery services by 74.2% from \$41.5 million in the six months ended June 30, 2023 to \$72.3 million in the six months ended June 30, 2024 as our GigaCloud Marketplace GMV and delivery volume continued to increase;
 - an increase in revenues from ocean transportation services by 277.6% from \$6.7 million in the six months ended June 30, 2023 to \$25.3 million in the six months ended June 30, 2024 as our GigaCloud Marketplace GMV and delivery volume continued to increase, as well as an increase in the pricing of ocean transportation services during the period;
 - an increase in revenues from warehousing services by 71.8% from \$11.0 million in the six months ended June 30, 2023 to \$18.9 million in the six months ended June 30, 2024 as we handled more products as our GigaCloud Marketplace GMV continued to increase;

- an increase in revenues from packaging services by 105.9% from \$6.8 million in the six months ended June 30, 2023 to \$14.0 million in the six months ended June 30, 2024 as we handled more products as our GigaCloud Marketplace GMV continued to increase; and
- an increase in revenues from other services by 89.3% from \$7.5 million in the six months ended June 30, 2023 to \$14.2 million in the six months ended June 30, 2024, primarily due to an increase in other supplemental fulfillment services provided by our Marketplace compared to the previous period and inclusion of subscription revenues from Wondersign in the six months ended June 30, 2024.
- *Product Revenues from GigaCloud 1P.* Our product revenues from GigaCloud 1P increased by 46.8% from \$131.2 million in the six months ended June 30, 2023 to \$192.6 million in the six months ended June 30, 2024. The increase was primarily due to increases in GigaCloud Marketplace GMV, the number of buyers and spend per active buyer as our marketplace continued to grow in scale.
- *Product Revenues from Off-platform Ecommerce.* Our product revenues from off-platform ecommerce increased by 202.8% from \$71.4 million in the six months ended June 30, 2023 to \$216.2 million in the six months ended June 30, 2024. The increase was primarily due to increases in sales channels and sales volume in certain third-party off-platform ecommerce.

Cost of Revenues

Our cost of revenues increased by 98.5% from \$211.0 million in the six months ended June 30, 2023 to \$418.9 million in the six months ended June 30, 2024.

- Our cost of services increased by 102.4% from \$63.5 million in the six months ended June 30, 2023 to \$128.5 million in the six months ended June 30, 2024, primarily due to:
 - an increase in delivery cost by 99.5% from \$43.7 million in the six months ended June 30, 2023 to \$87.2 million in the six months ended June 30, 2024 as ocean freight costs and our sales increased during the period;
 - an increase in rental cost by 137.8% from \$9.0 million in the six months ended June 30, 2023 to \$21.4 million in the six months ended June 30, 2024 as we increased the number of fulfillment centers to 40 globally in the six months ended June 30, 2024, compared to 21 fulfillment centers in the six months ended June 30, 2023;
 - an increase in staff cost by 54.2% from \$7.2 million in the six months ended June 30, 2023 to \$11.1 million in the six months ended June 30, 2024 as we increased the number of employees; and
 - an increase in other cost of services by 100.0% from \$3.1 million in the six months ended June 30, 2023 to \$6.2 million in the six months ended June 30, 2024.
- Our cost of product sales increased by 97.1% from \$147.4 million in the six months ended June 30, 2023 to \$290.5 million in the six months ended June 30, 2024, primarily due to:
 - an increase in product cost by 89.0% from \$113.3 million in the six months ended June 30, 2023 to \$214.1 million in the six months ended June 30, 2024 as sales volume, as well as shipping costs to procure our inventories, including ocean freight costs, increased during the period;
 - an increase in delivery cost by 70.1% from \$20.1 million in the six months ended June 30, 2023 to \$34.2 million in the six months ended June 30, 2024 consistent with the increase in our sales volume;
 - an increase in rental cost by 196.7% from \$9.1 million in the six months ended June 30, 2023 to \$27.0 million in the six months ended June 30, 2024, as we increased the number of fulfillment centers to 40 globally in the six months ended June 30, 2024, compared to 21 fulfillment centers in the six months ended June 30, 2023;
 - an increase in staff cost by 159.5% from \$4.2 million in the six months ended June 30, 2023 to \$10.9 million in the six months ended June 30, 2024 as we increased the number of employees; and
 - an increase in depreciation costs from \$0.3 million in the six months ended June 30, 2023 to \$2.5 million in the six months ended June 30, 2024.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 104.6% from \$69.9 million in the six months ended June 30, 2023 to \$143.0 million in the six months ended June 30, 2024. Our gross margin increased from 24.9% in the six months ended June 30, 2023 to 25.4% in the six months ended June 30, 2024, primarily due to increase in overall sales supported by broader and larger selection of SKUs in our Marketplace, as well as economies of scale; however, this was partially offset by the increase in rental costs and ocean freight costs, which increased our product and delivery costs.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 107.3% from \$16.4 million in the six months ended June 30, 2023 to \$34.0 million in the six months ended June 30, 2024, which was primarily due to (i) an increase in platform service fee we incurred on certain third-party ecommerce websites by 125.0% from \$6.4 million in the six months ended June 30, 2023 to \$14.4 million in the six months ended June 30, 2024 as sales volume and sales channels both increased, (ii) an increase in staff cost related to selling and marketing personnel by 77.6% from \$8.5 million in the six months ended June 30, 2023 to \$15.1 million in the six months ended June 30, 2024 primarily relating to share-based compensation expenses incurred for awards granted and vested within Q2 2024, as well as the increased number of sales and marketing personnel and the commission paid to them, and (iii) an increase in advertising expense by 220.0% from \$1.0 million in the six months ended June 30, 2023 to \$3.2 million in the six months ended June 30, 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 279.1% from \$11.0 million in the six months ended June 30, 2023 to \$41.7 million in the six months ended June 30, 2024, which was primarily due to (i) an increase in staff cost related to general and administrative personnel by 275.9% from \$5.4 million in the six months ended June 30, 2023 to \$20.3 million in the six months ended June 30, 2024 primarily relating to share-based compensation expenses incurred for awards granted and vested within Q2 2024 and an increased number of staff, (ii) an increase in rental expense by 653.8% from \$1.3 million in the six months ended June 30, 2023 to \$9.8 million in the six months ended June 30, 2024, primarily because the expenses for certain newly acquired fulfillment centers that are currently under preparation for use were included in rental expense in the six months ended June 30, 2024, as compared to cost of revenues in the six months ended June 30, 2023, as well as an increase in the number of corporate offices in the six months ended June 30, 2024 compared to the previous period, (iii) an increase in professional service expense by 117.4% from \$2.3 million in the six months ended June 30, 2023 to \$5.0 million in the six months ended June 30, 2024 as we engaged additional professional services from our financial and legal advisors in the six months ended June 30, 2024 compared to the previous period, and (iv) an increase in property insurance expense by 300.0% from \$0.4 million in the six months ended June 30, 2023 to \$1.6 million in the six months ended June 30, 2024.

Research and Development Expenses

Research and development expenses increased by 308.3% from \$1.2 million in the six months ended June 30, 2023 to \$4.9 million in the six months ended June 30, 2024. The increase was primarily due to our dedication in expanding our research and development efforts, including an increase in the number of research and development projects and the number of employees to perform research and development function, as well as share-based compensation expenses incurred for awards granted and vested to research and development personnel in the six months ended June 30, 2024 compared to the previous period.

Losses on Disposal of Property and Equipment

We had losses on disposal of property and equipment of \$168 thousand in the six months ended June 30, 2024, compared to nil in the six months ended June 30, 2023.

Interest Expense

We had interest expenses of \$917 thousand in the six months ended June 30, 2023 and \$140 thousands in the six months ended June 30, 2024. The decrease was primarily attributable to a decrease in the balance of finance lease liabilities.

Interest Income

We had interest income of \$1.1 million in the six months ended June 30, 2023 and \$3.9 million in the six months ended June 30, 2024. The increase was primarily attributable to higher average bank deposits, wealth management products and investment and interest rates in the six months ended June 30, 2024 compared to the previous period.

Foreign Currency Exchange Gains / (Losses), Net

We had foreign currency exchange gains, net of \$0.6 million in the six months ended June 30, 2023, compared to foreign currency exchange losses, net of \$3.8 million in the six months ended June 30, 2024, primarily attributable to the appreciation of U.S. dollars against Japanese Yen in the six months ended June 30, 2024.

Government Grants

We had government grant of \$8 thousand and \$395 thousand in the six months ended June 30, 2023 and 2024, respectively.

Others, net

Others losses, net was \$22 thousand and others gains, net was \$184 thousand in the six months ended June 30, 2023 and 2024, respectively.

Income Tax Expense

We had income tax expense of \$8.0 million and \$8.2 million in the six months ended June 30, 2023 and 2024, respectively.

Net Income

As a result of the foregoing, our net income was \$34.3 million and \$54.2 million in the six months ended June 30, 2023 and 2024, respectively.

Segment Information for the Three and Six Months Ended June 30, 2023 and 2024

For the purpose of internal reporting and management's operation review, we do not segregate our business by revenue stream or geography. Our management has determined that our company has one operating segment. See Note 1, Summary of Significant Accounting Policies, in the notes to the unaudited condensed consolidated financial statements included elsewhere in this quarterly report.

Long-lived assets consist of property and equipment and operating lease right-of-use assets. The geographic information for long-lived assets as of December 31, 2023 and June 30, 2024 was as follows:

	December 31, 2023	June 30, 2024
	(In thousands)	
	(unaudited)	
The United States	\$ 400,554	\$ 490,358
Others	22,982	27,798
Total long-lived assets	\$ 423,536	\$ 518,156

Revenues reported are attributed to geographic areas based on locations of our fulfillment centers, except for platform commission revenues which are attributed to Hong Kong, where the server of GigaCloud Marketplace is located. The following table sets forth the breakdown of our revenues by geographic regions for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(in thousands) (unaudited)			
Revenues by geographic regions:				
Service revenues	\$ 43,278	\$ 85,378	\$ 78,374	\$ 152,793
Platform commission	2,591	4,479	4,893	8,077
Hong Kong	2,591	4,479	4,893	8,077
Ocean transportation service	3,936	15,504	6,707	25,305
United States	3,892	15,436	6,655	25,177
Others ⁽¹⁾	44	68	52	128
Warehousing service	5,304	9,589	10,961	18,916
United States	5,111	9,326	10,531	18,416
Others ⁽¹⁾	193	263	430	500
Last-mile delivery service	22,916	41,550	41,524	72,305
United States	22,027	38,090	40,036	66,578
Others ⁽¹⁾	889	3,460	1,488	5,727
Packaging service	3,920	7,686	6,788	13,965
United States	3,684	6,921	6,376	12,674
Others ⁽¹⁾	236	765	412	1,291
Others	4,611	6,570	7,501	14,225
United States	4,390	5,985	7,191	13,553
Others ⁽¹⁾	221	585	310	672
Product revenues	109,852	225,489	202,553	409,151
United States	79,583	169,067	150,088	309,388
Japan	11,383	10,579	21,574	20,520
Germany	13,923	40,092	23,263	69,365
Others ⁽¹⁾	4,963	5,751	7,628	9,878
Total revenues	\$ 153,130	\$ 310,867	\$ 280,927	\$ 561,944

(1) No other individual region's revenues exceeded 10% of our total revenues for the three and six months ended June 30, 2023 and 2024.

Non-GAAP Financial Measure

To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EPS – diluted, to understand and evaluate our core operating performance. Adjusted EBITDA is net income excluding interest, income taxes and depreciation and amortization, further adjusted to exclude share-based compensation expenses and non-recurring items. Adjusted EPS – diluted is a financial measure defined as our Adjusted EBITDA divided by our diluted weighted-average shares outstanding. Management uses Adjusted EBITDA and Adjusted EPS – diluted as measures of operating performance, for planning purposes, to allocate resources to enhance the financial performance of our business, to evaluate the effectiveness of our business strategies and in communications with our Board of Directors and investors concerning our financial performance. Non-GAAP financial measures, which may differ from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. The table below sets forth a reconciliation of Adjusted EBITDA for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
	(In thousands)			
Net income	\$ 18,390	\$ 26,969	\$ 34,331	\$ 54,164
Add: Income tax expense	4,269	2,065	8,025	8,190
Add: Interest expense	804	59	917	140
Less: Interest income	(484)	(2,244)	(1,074)	(3,853)
Add: Depreciation and amortization	380	2,064	760	4,145
Add: Share-based compensation expense	1,510	13,872	1,757	14,147
Add: Non-recurring items ⁽¹⁾	—	(41)	—	308
Adjusted EBITDA	\$ 24,869	\$ 42,744	\$ 44,716	\$ 77,241

(1) One of our fulfillment centers in Japan experienced a fire in March 2024. We recognized losses as a result of the fire. Based on the provisions of our insurance policy, the gross losses have been reduced by the estimated insurance proceeds expected to be received from our insurance carrier. We have determined that partial recovery of the incurred losses is probable and therefore recorded gains of \$41 thousand in the three months ended June 30, 2024 and net losses of \$308 thousands in the six months ended June 30, 2024. We do not believe such losses to be recurring or frequent in nature.

The table below sets forth a reconciliation of Adjusted EPS – diluted for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Net income per ordinary share – diluted	\$ 0.45	\$ 0.65	\$ 0.84	\$ 1.32
Adjustments, per ordinary share:				
Add: Income tax expense	0.10	0.05	0.20	0.20
Add: Interest expense	0.02	—	0.02	—
Less: Interest income	(0.01)	(0.05)	(0.03)	(0.09)
Add: Depreciation and amortization	0.01	0.05	0.02	0.10
Add: Share-based compensation expenses	0.04	0.33	0.04	0.34
Add: Non-recurring items ⁽¹⁾	—	—	—	0.01
Adjusted EPS – diluted	\$ 0.61	\$ 1.03	\$ 1.09	\$ 1.88
Weighted average number of ordinary shares outstanding - diluted	40,941,904	41,407,207	40,852,439	41,150,585

(1) One of our fulfillment centers in Japan experienced a fire in March 2024. We recognized losses as a result of the fire. Based on the provisions of our insurance policy, the gross losses have been reduced by the estimated insurance proceeds expected to be received from our insurance carrier. We have determined that partial recovery of the incurred losses is probable and therefore recorded gains of \$41 thousand in the three months ended June 30, 2024 and net losses of \$308 thousands in the six months ended June 30, 2024. We do not believe such losses to be recurring or frequent in nature.

Liquidity and Capital Resources

Liquidity

To date, we have financed our operating and investing activities mainly through cash generated from our business. As of June 30, 2024, we had \$185.6 million in cash and cash equivalents and \$0.9 million in restricted cash.

In July 2022, we entered into a two-year credit facility agreement with Wells Fargo Bank, National Association, under which we are able to borrow up to \$50 million during the term of the facility. The credit facility also requires us to comply with various customary covenants and other restrictions. In July 2024, we renewed the credit facility with a maturity date of June 30, 2026. As of the date of this quarterly report, we have not made any draw down from this credit facility.

We believe our cash on hand will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash we have on hand, we may seek to issue equity or equity-linked securities or obtain debt financing. 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, if at all.

As a Cayman Islands exempted company and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our PRC Subsidiaries only through loans or capital contributions, subject to relevant approval, filing and/or reporting with respect to government authorities and limits on the amount of capital contributions and loans. This may delay us from making loans or capital contributions to our PRC Subsidiaries, if any. See "Item 1A. Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us to make loans or additional capital contributions to our PRC Subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business." including in the 2023 Form 10-K.

The following table sets forth a summary of our cash flows for the periods presented:

	Six Months Ended June 30,	
	2023	2024
	(In thousands) (unaudited)	
Summary of Condensed Consolidated Statement of Cash Flow Data:		
Net cash provided by operating activities	\$ 38,641	\$ 34,417
Net cash used in investing activities	(158)	(30,403)
Net cash used in financing activities	(1,054)	(1,149)
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	(101)	(505)
Net increase in cash, cash equivalents and restricted cash	\$ 37,328	\$ 2,360
Cash, cash equivalents and restricted cash at the beginning of the period	\$ 145,076	\$ 184,168
Cash, cash equivalents and restricted cash at the end of the period	\$ 182,404	\$ 186,528

Operating Activities

Net cash provided by operating activities in the six months ended June 30, 2024 was \$34.4 million. This was attributable to net income of \$54.2 million, primarily adjusted by (i) operating lease of \$19.0 million, (ii) share-based compensation of \$14.1 million for awards granted and vested within Q2 2024, (iii) deferred tax of \$6.9 million and (iv) depreciation and amortization of \$4.1 million; and the changes in working capital, which primarily consisted of (i) an increase of \$68.0 million in inventory, (ii) an increase of \$16.8 million in accrued expenses and other current liabilities, (iii) an increase of \$11.1 million in accounts receivable, and (iv) an increase of \$9.9 million in accounts payable.

Net cash provided by operating activities in the six months ended June 30, 2023 was \$38.6 million. This was attributable to net income of \$34.3 million, primarily adjusted by (i) share-based compensation of \$1.8 million, (ii) inventory write-down of \$1.3 million and (iii) operating lease of \$0.9 million; and the changes in working capital, which primarily consisted of (i) an increase of \$9.9 million in accrued expenses and other current liabilities, (ii) an increase of \$7.8 million in inventories, (iii) an increase of \$3.3 million in accounts receivable, (iv) an increase of \$2.9 million in accounts payable and (v) an increase of \$2.2 million in prepayments and other assets.

Investing Activities

Net cash used in investing activities in the six months ended June 30, 2024 was \$30.4 million, consisting of purchases of investments of \$21.8 million and cash paid for purchase of property and equipment of \$10.2 million, partially offset by cash received from disposal of property and equipment of \$1.6 million.

Net cash used in investing activities in the six months ended June 30, 2023 was \$0.2 million, consisting solely of cash paid for purchase of property and equipment.

Financing Activities

Net cash used in financing activities in the six months ended June 30, 2024 was \$1.1 million, consisting solely of repayment of finance lease obligations.

Net cash used in financing activities in the six months ended June 30, 2023 was \$1.1 million, consisting of repayment of finance obligations of \$0.9 million and repayment of bank loans of \$0.1 million.

Share Repurchase Program

In June 2023, we announced that our board of directors approved a share repurchase program to repurchase up to US\$25.0 million of our Class A ordinary shares over the next 12 months. Under the share repurchase program, we may purchase our ordinary shares through various means, including open market transactions, privately negotiated transactions, block trades, any combination thereof or other legally permissible means. We may effect repurchase transactions in compliance with Rule 10b-5 and Rule 10b-18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The number of shares repurchased and the timing of repurchases will depend on a number of factors, including, but not limited to, price, trading volume and general market conditions, along with our working capital requirements, general business conditions and other factors. Our board of directors will review the share repurchase program periodically, and may modify, suspend or terminate the share repurchase program at any time. We plan to fund repurchases from our existing cash balance. During the second quarter of 2024, we did not make any repurchase of our Class A ordinary shares. Since the establishment of the share repurchase program to June 30, 2024, we have repurchased an aggregate of approximately 215,000 Class A ordinary shares in the open market at a total consideration of approximately \$1.6 million pursuant to the share repurchase program.

Capital Resources

Our capital expenditures consist primarily of purchase of property and equipment. Our capital expenditures were \$0.2 million and \$10.2 million in June 30, 2023 and 2024, respectively. We intend to fund our future capital expenditures with our existing cash balance, short-term investments and anticipated cash flows from operations. We will continue to make well-planned capital expenditures to meet the expected growth of our business.

Contractual Obligations

The following table sets forth our contractual obligations as of June 30, 2024:

	Payment Due by Year			
	Total	Within 2024	2025 – 2027	After 2028
(In thousands)				
Lease commitment ⁽¹⁾				
Operating leases	\$ 583,005	\$ 43,464	\$ 311,183	\$ 228,358
Finance leases	836	552	209	75
Total	\$ 583,841	\$ 44,016	\$ 311,392	\$ 228,433

(1) Lease commitment consists of the commitments under the lease agreements for our fulfillment centers and storage shelves.

Except for those disclosed above, we did not have any significant capital or other commitments, long-term obligations, or guarantees as of June 30, 2024.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any unconsolidated third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our unaudited condensed consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, 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.

Holding Company Structure

The Cayman Islands currently has no exchange control regulations or currency restrictions which may affect the import or export of capital, including the availability of cash and cash equivalents for use by our company, or the remittance of dividends, interest or other payments to non-resident holders of our securities.

Our company, GigaCloud Technology Inc, is a holding company incorporated in the Cayman Islands with no material operations of its own and is not a direct Chinese or Hong Kong operating company. We conduct our operations primarily through our principal subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. If our subsidiaries 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, as determined in accordance with local regulations, our subsidiaries in certain of our markets may be restricted from paying us dividends offshore or from transferring a portion of their assets to us, whether in the form of dividends, loans or advances, unless certain requirements are met or regulatory approvals are obtained. In addition, our subsidiaries may be restricted in their ability to pay dividends or distributions or make other transfers to us as a result of the laws of their respective jurisdictions of organization and agreements of our subsidiaries. See "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Dividends" of the 2023 Form 10-K. Even though we currently do not require any such dividends, loans or advances from our entities for working capital and other funding purposes, we may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to our shareholders.

Trend Information

Other than as disclosed elsewhere in this quarterly report, we are not aware of any known trends, uncertainties, demands, commitments or events for the six months ended June 30, 2024 that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that are reasonably likely to cause a material change in the relationship between costs and revenues, or that would cause reported financial information to be not necessarily indicative of future operating results or financial conditions.

Critical Accounting Estimates

We prepare our financial statements in conformity with U.S. GAAP. The preparation of these financial statements requires our management to make estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. For the fiscal quarter ended June 30, 2024, we had not identified critical accounting estimates that involve a significant level of estimation uncertainty and would have a material impact on our results. There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the 2023 Form 10-K.

Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 1 "Recent accounting pronouncements" to our unaudited condensed consolidated financial statements included elsewhere in this quarterly report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our exposures to market risk since December 31, 2023. See "Part II—Item 7A—Quantitative and Qualitative Disclosures about Market Risk" included in the 2023 Form 10-K for a discussion on our exposures to market risk.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of June 30, 2024, our disclosure controls and procedures were not effective because we identified two material weaknesses in our internal control over financial reporting. The material weaknesses that have been identified relate to (i) our lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and the SEC reporting requirements to formalize, design, implement and operate key controls over financial reporting process to address complex U.S. GAAP accounting issues and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC, which could result in misstatements in relevant financial statement accounts and disclosures, and (ii) the design and implementation of our internal control over the independent review of journal entries due to the absence of formalized accounting policies and procedures, as well as inappropriate segregation of duties specific to the preparation and review of journal entries, which could result in misstatements not being timely prevented or detected, with potentially impact on all financial statement accounts and disclosures.

We are in the process of implementing a number of measures to address the material weaknesses identified, including: (1) hiring additional accounting and financial reporting personnel with U.S. GAAP and SEC reporting experience, (2) expanding the capabilities of existing accounting and financial reporting personnel through continuous training and education in the accounting and reporting requirements under U.S. GAAP and SEC rules and regulations, (3) establishing clear roles and responsibilities to develop and implement formal comprehensive financial period-end closing policies and procedures to ensure all transactions are properly recorded and disclosed, (4) establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our consolidated financial statements and related disclosures and (5) designing and implementing formal accounting policies with periodic reviews, procedures and controls supporting our period-end financial reporting process, including controls over the preparation and review of account reconciliations and journal entries. The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligation.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended June 30, 2024 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in claims that arise during the ordinary course of business. Regardless of the outcome, litigation can be costly and time-consuming, as it can divert management's attention from important business matters and initiatives, negatively impacting our overall operations. In addition, we may also find ourselves at greater risk to outside party claims as we increase our operations in jurisdictions where the laws with respect to the potential liability of online retailers are uncertain, unfavorable or unclear.

Southern District of New York Litigation Matter, In Re GigaCloud Technology Inc Securities Litigation, No. 1:23-cv-10645-JMF (S.D.N.Y.)

In October 2023, two GigaCloud shareholders separately brought putative securities class actions in the United States District Court for the Central District of California. On November 27, 2023, the United States District Court for the Central District of California granted the parties' stipulations to transfer both cases to United States District Court for the Southern District of New York. On January 12, 2024, the Southern District of New York granted plaintiffs' stipulation to consolidate the two lawsuits into one and appoint Sashi Rajan and Meir Spear as co-lead plaintiffs. On March 18, 2024, lead plaintiffs filed the first amended complaint against us and certain of our current and former directors and officers, alleging that defendants made false and misleading statements concerning our use of artificial intelligence and machine learning in violation of U.S. securities laws. On May 17, 2024, we filed a motion to dismiss lead plaintiffs' claims. On May 20, 2024, the Court entered an order giving lead plaintiffs one opportunity to amend their complaint to address issues raised in the May 17, 2024 motion to dismiss. On June 28, 2024, lead plaintiffs filed the second amended

complaint. The second amended complaint alleges both false and misleading statements concerning our use of artificial intelligence and machine learning and false and misleading statements about revenue of the GigaCloud Marketplace. We believe that the claims asserted in the second amended complaint are without merit and will seek their dismissal. Although the outcome of any complex litigation is inherently uncertain, based on information presently known to management, we do not believe that the matters are likely to have a material impact on our financial condition.

Item 1A. Risk Factors.

We are subject to risks and uncertainties that could, directly or indirectly, adversely affect our business, results of operations, financial condition, liquidity, cash flows, strategies, and/or prospects. We have reviewed the risk factors appeared in "Part I—Item 1A—Risk Factors" in the 2023 Form 10-K, and, except as presented below, there have been no material changes in our risk factors previously disclosed in the 2023 Form 10-K.

We depend on our relationships with third parties, including third-party trucking and freight service companies, and changes in our relationships with these parties could adversely impact our revenues and profits.

We rely on third parties to operate certain elements of our business. For example, we rely on third-party national, regional and local trucking and freight service companies to deliver our large parcel merchandise. As a result, we may be subject to shipping delays or disruptions caused by inclement weather, natural disasters, system interruptions and technology failures, political instability, military conflicts, labor activism, health epidemics or bioterrorism. For example, following the initial conflict between Israel and Hamas in the Middle East, the Houthi movement in Yemen launched a number of attacks on marine vessels traversing the Red Sea causing significant operational disruptions for certain third-party business partners. The conflict is ongoing, and should it escalate or expand, it could result in delays, increased shipping and freight costs, and potential disruptions to the arrival of our products. We have in the past entered, and may from time to time enter, into fixed-rate contracts with third-party transportation service providers to mitigate the impact against any further increase in ocean freight costs in the short term. If the prevailing market ocean freight rates decline to rates lower than our contracted rates, our costs and profitability may be negatively impacted. We are also subject to risks of breakage or other damage during delivery by any of these third parties. We also use and rely on other services from third parties, such as telecommunications services, customs, consolidation and shipping services, as well as warranty, installation, assembly and design services. We may be unable to maintain these relationships, and these services may also be subject to outages and interruptions that are not within our control. Third parties may in the future determine they no longer wish to do business with us or may decide to take other actions that could harm our business. We may also determine that we no longer want to do business with them. If parcels are not delivered in a timely fashion or are damaged during the delivery process by these third parties, or if we are not able to provide adequate customer support or other services or offerings, our customers could become dissatisfied and cease using our cross-border fulfillment services or stop trading products through our marketplace, which would adversely affect our operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

On June 14, 2023, we announced that our board of directors approved a share repurchase program under which we may purchase up to \$25.0 million of our Class A ordinary shares, par value \$0.05, over a 12-month period through various means, including open market transactions, privately negotiated transactions, block trades, any combination thereof or other legally permissible means.

We evaluated the trading prices of its ordinary shares, its financial position and other information and considered the share repurchase by us would be in the best interests of our company and our shareholders.

We may effect repurchase transactions in compliance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act. The number of shares repurchased and the timing of repurchases will depend on a number of factors, including, but not limited to, price, trading volume and general market conditions, along with our working capital requirements, general business conditions and other factors. Our board of directors will review the share repurchase program periodically, and may modify, suspend or terminate the share repurchase program at any time. We plan to fund repurchases from our existing cash balance.

From the launch of the share repurchase program on June 14, 2023 to June 30, 2024, we have repurchased an aggregate of approximately 215,000 Class A ordinary shares in the open market at a total consideration of approximately \$1.6 million pursuant to the share repurchase program.

During our second quarter of 2024 covered in this quarterly report, we did not repurchase any of our Class A ordinary shares.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) and (b) None.

(c) Rule 10b5-1 Trading Plan

On June 26, 2024, Mr. Xin Wan, our Chief Technology Officer, adopted a trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act, for the sale of up to 150,000 shares of our Class A ordinary shares held indirectly through Dongsi Tou Tiao Limited. Dongsi Tou Tiao Limited is controlled and managed by Dongsi Tou Tiao Trust, a trust established under a trust deed dated July 13, 2021 between us and Futu Trustee as trustee. The trust's beneficiaries are certain of our directors and executive officers, including Mr. Wan. Mr. Wan's trading arrangement is scheduled to expire no later than December 31, 2024.

Except for the foregoing, during the three months ended June 30, 2024, no other director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of our company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description of Document
3.1	Eighth Amended and Restated Memorandum and Articles of Association of GigaCloud Technology Inc , as currently in effect (incorporated by reference to the Registrant's current report on Form 8-K filed with the SEC on June 14, 2024)
31.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification by the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Exhibit 101 Inline XBRL document)

* Filed herewith.

** Furnished herewith. This certification is deemed not "filed" by us for purposes of Section 18 of the Exchange Act , or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate it by reference.

SIGNATURES

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

GigaCloud Technology Inc

By: /s/ Larry Lei Wu
Name: Larry Lei Wu
Title: Chief Executive Officer
(Principal Executive Officer and duly Authorized Officer)

Date: August 6, 2024

GigaCloud Technology Inc

By: /s/ Kwok Hei David Lau
Name: Kwok Hei David Lau
Title: Chief Financial Officer
(Principal Financial and Accounting Officer and duly Authorized Officer)

Date: August 6, 2024

Certification by Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Larry Lei Wu, certify that:

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

Date: August 6, 2024

By: /s/ Larry Lei Wu
Name: Larry Lei Wu
Title: Chief Executive Officer
(*Principal Executive Officer*)

**Certification by Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kwok Hei David Lau, certify that:

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

Date: August 6, 2024

By: /s/ Kwok Hei David Lau
Name: Kwok Hei David Lau
Title: Chief Financial Officer
(*Principal Financial Officer*)

**Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of GigaCloud Technology Inc (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Larry Lei 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: August 6, 2024

By: /s/ Larry Lei Wu
Name: Larry Lei Wu
Title: Chief Executive Officer
(*Principal Executive Officer*)

**Certification by Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of GigaCloud Technology Inc (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kwok Hei David Lau, 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: August 6, 2024

By: /s/ Kwok Hei David Lau
Name: Kwok Hei David Lau
Title: Chief Financial Officer
(*Principal Financial Officer*)