

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

FORM 10-K

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

For the fiscal year ended December 31, 2024

OR

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

For the Transition Period from _____ to _____

Commission File Number 001-34502

Future FinTech Group Inc.
(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	98-0222013 (I.R.S. Employer Identification Number)
Americas Tower, 1177 Avenue of The Americas Suite 5100, New York, NY (Address of principal executive offices)	10036 (Zip Code)

Registrant's Telephone Number: **888-622-1218**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	FTFT	Nasdaq Capital Market

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

None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy statement or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☐ No ☐

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

Emerging growth company ☐

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

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

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

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

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

The aggregate market value of voting and nonvoting stock held by non-affiliates of the registrant, based upon the closing price of \$0.48 per share for shares of the registrant's Common Stock on June 28, 2024, the last business day of the registrant's most recently completed second fiscal quarter as reported by the NASDAQ Capital Market, was approximately \$7.54 million. (The Company effected a 1 for 10 reverse stock split on April 1, 2025)

The number of shares of Common Stock outstanding as of April 11, 2025 was 3,050,770.

Auditor Firm ID: 6901

Auditor Name: Fortune CPA, Inc.

Auditor Location: California

FUTURE FINTECH GROUP INC.

ANNUAL REPORT ON FORM 10-K FOR FISCAL YEAR ENDED DECEMBER 31, 2023

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NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (“Annual Report”) of Future Fintech Group, Inc. (together with our direct or indirect subsidiaries, “we,” “us,” “our,” “the Company” or “Future FinTech”) includes forward-looking statements regarding, among other things, Future FinTech’s plans, strategies and prospects, both business and financial. Although Future FinTech believes that its plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, Future FinTech cannot assure you that it will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under “*Risk Factors*” from time to time in Future FinTech’s filings with the SEC. Many of the forward-looking statements contained in this presentation may be identified by the use of forward-looking words such as “believe”, “expect”, “anticipate”, “should”, “planned”, “will”, “may”, “intend”, “estimated”, “aim”, “on track”, “target”, “opportunity”, “tentative”, “positioning”, “designed”, “create”, “predict”, “project”, “seek”, “would”, “could”, “continue”, “ongoing”, “upside”, “increases” and “potential”, among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this presentation are set forth in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- fluctuations in the supply of products from our suppliers;
- the expected growth of the supply chain financing industry in China, brokerage and investment banking business in Hong Kong and global financial technology industry;
- changes in general economic conditions and conditions adversely affecting the businesses in which Future FinTech is engaged;
- changes in U.S., China and global financial and equity markets, including market disruptions and significant interest rate fluctuations, which may impede our access to, or increase the cost of, external financing for our operations and investments;
- our success in implementing our business strategy, integrating the business that we have recently acquired and introducing new products and services;
- our ability to attract and retain customers;
- development of our litigation with FT Global Capital, Inc.;
- impact of competitive activities on our business;
- the result of future financing efforts;
- risks associated with conducting business internationally and especially in the People's Republic of China ("PRC", or "China"), including currency fluctuations and devaluation, currency restrictions, local laws and restrictions and possible social, political and economic instability; and
- other economic, financial and regulatory factors beyond the Company's control.

Any or all of our forward-looking statements in this report may turn out to be inaccurate. They can be affected by inaccurate assumptions we might make or by known or unknown risks or uncertainties. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially as a result of various factors, including, without limitation, the risks outlined under "Item 1A. Risk Factors" in this Annual Report. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

We undertake no obligation to update forward-looking statements to reflect subsequent events, changed circumstances or the occurrence of unanticipated events except as required by law.

Future Fintech Group, Inc. is a holding company incorporated in Florida and it is not an operating company. As a holding company with no material operations of its own, the Company conducts its business through its subsidiaries. It is the holding company that the investors will hold an interest.

Unless otherwise stated, as used in this report "we," "us," "Company," "our," or "Future FinTech" refers to Future FinTech Group Inc., a Florida holding company, and "VIE" refers to the PRC variable interest entity, Cloud Chain E-Commerce (Tianjin) Co., Ltd. (E-Commerce Tianjin).

Summary of Significant Risk Factors

The following is a summary of significant risk factors and uncertainties that may affect our business, which are discussed in more detail below in "Part I—Item 1A—Risk Factors" included in this Annual Report on Form 10-K:

Risks Related to Our Business

- We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations and cause the value of our securities to significantly decline or be worthless. (see page 22 of this report)
- An occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations and financial results. (see page 23 of this report)
- The supply chain financing service industry is an emerging and rapidly evolving industry in China and we might not achieve the development as we expected. (see page 24 of this report)
- The supply chain financing service industry is increasingly competitive in China. If we fail to compete effectively, we may lose our customers and partners, which could materially and adversely affect our business, financial condition and results of operations. (see page 24 of this report)
- We are subject to cyber security risks and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents. (see page 27 of this report)
- Our business depends on internet, our websites, network infrastructure and processing system. (see page 26 of this report)

Risks Related to Doing Business in the PRC

- Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and results of operations. (see page 28 of this report)
- Uncertainties and quick change in the interpretation and enforcement of Chinese laws and regulations with little advance notice could result in a material and negative impact our business operations, decrease the value of our shares of common stock and limit the legal protections available to us. (see page 30 of this report)

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- The Chinese government exerts substantial influence over the manner in which we must conduct our business as well as more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, and may intervene or influence our operations at any time, which could result in a material change in our operations, and significantly limit or completely hinder our ability to offer or continue to offer securities to investors and, and cause the value of our shares of common stock to significantly decline or be worthless. (see page 31 of this report)
- There are uncertainties under the PRC Securities Law relating to the procedures and requisite timing for the U.S. securities regulatory agencies to conduct investigations and collect evidence within the territory of the PRC. (see page 32 of this report)
- We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, and the WFOE, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets. (see page 33 of this report)

- The Holding Foreign Companies Accountable Act, or the HFCA Act, and the related regulations are evolving quickly. Further implementations and interpretations of or amendments to the HFCA Act or the related regulations, or a PCOAB's determination of its lack of sufficient access to inspect our auditor, might pose regulatory risks to and impose restrictions on us because of our operations in mainland China. A potential consequence is that our shares of common stock may be delisted by the exchange. The delisting of our common stock, or the threat of our common stock being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct full inspections of our auditor deprives our investors of the benefits of such inspections. (see page 36 of this report)
- The filing with the China Securities Regulatory Commission ("CSRC") is required in connection with any offering under New Overseas Listing Rules, and we currently are not in compliance with such rules and we may face sanctions and penalties by the CSRC or other PRC regulatory agencies for failure to timely file with the CSRC. (see page 35 of this report)

Risks Related to Our Common Stock

- We are authorized to issue blank check preferred stock, which may be issued without shareholder approval and which may adversely affect the rights of holders of our Common Stock. (see page 37 of this report)
- In recent years, our Common Stock has been in danger of being delisted from the NASDAQ Stock Market ("NASDAQ"). (see page 38 of this report)

Other risks and uncertainties, including those listed under "Part I—Item 1A—Risk Factors".

These factors should not be construed as exhaustive, and should be read with the other cautionary statements, and other information in this Annual Report on Form 10-K, and our other filings with the SEC.

PART I

ITEM 1 – BUSINESS

Overview

Future FinTech is a holding company incorporated under the laws of the State of Florida. The Company historically engaged in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in the PRC. Due to drastically increased production costs and tightened environmental laws in China, the Company had transformed its business from fruit juice manufacturing and distribution to financial technology related service businesses. The main business of the Company included supply chain financing services and trading in China, asset management business in Hong Kong and cross-border money transfer service in UK. The Company also expanded into brokerage and investment banking business in Hong Kong and cryptocurrency mining farm in the U.S. The Company had a contractual arrangements with a VIE E-Commerce Tianjin in China, which has generated minimal revenue and business since 2021 due to the negative impact caused by COVID-19. The Company started the process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024. Due to worsened investment market sentiment in Hong Kong, the Company sold its ownership in Nice Talent Asset Management Limited ("NTAM") to a third party for HK\$2.4 million (approximately \$300,000) in November 2024 and is no longer in asset management business in Hong Kong. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company ("FTFT SuperComputing") to DDMM Capital LLC (the "Buyer") for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii) \$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The closing of the transactions contemplated by the Agreement took place on December 9, 2024. On December 18, 2024, the

Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 through the court ordered auction by the United States Marshal for the Southern District of New York. Currently, the main business of the Company is supply-chain financing services and trading in China.

There are legal and operational risks associated with being based in and having a substantial majority of operations in China and Hong Kong. These risks could result in a material change in our operations and/or the value of our common stock or could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our shares to significantly decline or be worthless. In the past few years, the PRC government initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued an announcement to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. On February 15, 2022, Cybersecurity Review Measures published by Cyberspace Administration of China or the CAC, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People's Bank of China, State Administration of Radio and Television, China Securities Regulatory Commission ("CSRC"), State Secrecy Administration and State Cryptography Administration became effective, which provides that, Critical Information Infrastructure Operators ("CIIOs") that intend to purchase internet products and services and Online Platform Operators engaging in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office. On July 7, 2022, CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer, effective on September 1, 2022, which requires the data processors to apply for data cross-border security assessment coordinated by the CAC under the following circumstances: (i) any data processor transfers important data to overseas; (ii) any critical information infrastructure operator or data processor who processes personal information of over 1 million people provides personal information to overseas; (iii) any data processor who provides personal information to overseas and has already provided personal information of more than 100,000 people or sensitive personal information of more than 10,000 people to overseas since January 1st of the previous year; and (iv) other circumstances under which the data cross-border transfer security assessment is required as prescribed by the CAC. On February 17, 2023, the CSRC released New Overseas Listing Rules with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading

information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, or the Confidentiality and Archives Administration Provisions, which took effect on March 31, 2023. PRC domestic enterprises seeking to offer securities and list in overseas markets, either directly or indirectly, shall establish and improve the system of confidentiality and archives work, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that (i) providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting records or photocopies thereof to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations; and (ii) any working papers formed in the territory of the PRC by securities companies and securities service agencies that provide domestic enterprises with securities services relating to overseas securities issuance and listing shall be stored in the territory of the PRC, the outbound transfer of which shall be subject to corresponding procedures in accordance with relevant laws and regulations. As of the date of this report, these new laws and guidelines that became effective have not impacted the Company's ability to conduct its business, accept foreign investment or list on a U.S. or other foreign stock exchange except for the filing requirement under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. In addition, new rules and regulations could be adopted and there are uncertainties in the interpretation and enforcement of existing laws and guidelines, which could materially and adversely impact our business and financial outlook and may impact our ability to accept foreign investments or continue to list on a U.S. or other foreign stock exchange. Any change in foreign investment regulations, and other policies in China or related enforcement actions by China government could result in a material change in our operations and the value of our securities and could significantly limit or completely hinder our ability to offer our securities to investors or cause the value of our securities to significantly decline or be worthless.

In the opinion of our PRC counsel Fengdong Law Firm, subsidiaries of the Company are incorporated and operating in mainland China have received all required permissions from Chinese authorities to operate their current business in China, including Business licenses and Bank Account Open Permits, as of the date of this report.

In the opinion of Fengdong Law Firm, as of the date of this report, we, our subsidiaries in China are not subject to permission requirements from the CSRC or CAC or any other entity that is required to approve of their operations and have not received or were denied such permissions by any PRC authorities. Currently, we are required to file with CSRC for any offerings under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. Given the current PRC regulatory environment, it is uncertain whether we, our subsidiaries, will be able to obtain permission from the PRC government to offer our securities to foreign investors, and even when such permission is obtained, whether it will be denied or rescinded. If we or any of our subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we or our subsidiaries are required to obtain such permissions or approvals, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless. Failure to take timely and appropriate measures to adapt to any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

The Company's auditor, Fortune CPA Inc. is headquartered in California and the Public Company Accounting Oversight Board (United States) (the "PCAOB") currently has access to inspect the working papers of our auditor. On

December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB Board will consider the need to issue a new determination. On December 29, 2022, a legislation entitled "Consolidated Appropriations Act, 2023" (the "Consolidated Appropriations Act"), was signed into law by President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to Accelerating Holding Foreign Companies Accountable Act, which reduces the number of consecutive non-inspection years required for triggering the prohibitions under the HFCA Act from three years to two. The Holding Foreign Companies Accountable Act and related regulations currently does not affect the Company as the Company's auditor is subject to PCAOB's inspection and investigation.

As a holding company, we may rely on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us. However, neither any of our subsidiaries or the VIE has made any dividends, other distributions or cash transfers to our holding company or any U.S. investors as of the date of this report. In the future, cash proceeds raised from overseas financing activities may be transferred by us to our PRC subsidiaries via capital contribution or shareholder loans, as the case may be. As a holding company, we may rely principally on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements we may have. As of the date of this report, we do not have cash management policies and procedures in place that dictate how funds are transferred through our organization. Rather, the funds can be transferred in accordance with the applicable PRC laws and regulations. See *"Dividend Distribution and Cash Transfer Between the Holding Company and Subsidiaries."*

As of the date of this report, no dividends or distributions have been made between the holding company, its subsidiaries, and consolidated VIE, or to investors including U.S. investors. The holding company and its subsidiaries, do not have any plan to distribute dividend in the foreseeable future. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, , such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets. See *"Dividend Distribution and Cash Transfer Between the Holding Company and Subsidiary."* and *"Risk Factor - We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, and the WFOE, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets."*

On April 18, 2022, the Company and Future Fintech (Hong Kong) Limited, a wholly owned subsidiary of the Company jointly acquired 100% equity interest of KAZAN S.A., a company incorporated in Republic of Paraguay for \$288. The Company owns 90% and FTFT HK owns 10% of Kazan S.A., respectively. Kazan S.A. has no operation before the acquisition. The Company is developing bitcoin and other cryptocurrency mining and related service business in Paraguay. The Company has changed its name from KAZAN S.A to FTFT Paraguay S.A. on July 28, 2022 and it was dissolved in December 2023 as the Company was not able to develop the business in Paraguay as planned.

On February 27, 2023, Future FinTech (Hong Kong) Limited ("Buyer"), a company incorporated in Hong Kong and a wholly owned subsidiary of Future FinTech Group Inc. (the "Company") entered into a Share Transfer Agreement (the "Agreement") with Alpha Financial Limited, a company incorporated in Hong Kong ("Seller") and sole owner and shareholder of Alpha International Securities (Hong Kong) Limited, a company incorporated in Hong Kong ("Alpha HK") and Alpha Information Service (Shenzhen) Co., Ltd., a company incorporated in China ("Alpha SZ"). Alpha HK holds Type 1 'Securities Trading', Type 2 'Futures Contract Trading' and Type 4 'Securities Consulting' financial licenses issued by the Hong Kong Securities and Futures Commission. Alpha SZ provides technical support services to Alpha HK. The share transfer transaction was approved by the Securities and Futures Commission of Hong

Kong (“SFC”) in August 2023 and the acquisition was closed on November 7, 2023. The names of the two entities were subsequently changed to ‘FTFT International Securities and Futures Limited’ and ‘FTFT Information Services (Shenzhen) Co. Ltd.’, respectively.

On September 4, 2024, the Company deregistered and dissolved the Tianjin Future Private Equity Fund Management Partnership, a Limited Partnership under the laws of China.

On December 6, 2024, the Company and FTFT SuperComputing Inc. a wholly owned subsidiary of the Company (“FTFT SuperComputing”) entered into a Stock Purchase Agreement (the “Agreement”) with DDMM Capital LLC (the “Buyer”). Pursuant to the terms of the Agreement, the Company sold all of the issued and outstanding shares of FTFT SuperComputing to the Buyer for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii) \$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The closing of the transactions contemplated by the Agreement took place on December 9, 2024.

On December 18, 2024, the Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 through the court ordered auction by the United States Marshal for the Southern District of New York.

In August 2024, NTAM raised HK\$3,007,200 (approximately \$385,538) by way of rights subscription offered to its existing shareholders. NTAM issued additional 168 shares with HK\$17,900 each. Three existing shareholders of NTAM subscribed shares and Future Fintech (Hong Kong) Limited did not participate in the subscription and an outsider investor purchased the shares. After the right subscription, the shareholding percentage of NTAM by Future Fintech (Hong Kong) Limited passively decreased from 77.14% to 42.86%.

On October 18, 2024, Future FinTech (Hong Kong) Limited., a wholly owned subsidiary of the Company (“Seller”), Nice Talent Asset Management Limited, a limited company organized under the laws of Hong Kong (“NTAM”) and Ms. Siu Chin Wei, a natural person and unrelated third party with an identity card of Hong Kong (“Siu” or the “Buyer”) entered into a Sales and Purchase Agreement of Shares, pursuant to which Seller sold its 42.86% ownership of NTAM to the Buyer for HK\$2.4 million (approximately \$300,000) and the transaction was closed on November 27, 2024.

On January 26, 2023, the Company filed with the Florida Secretary of State’s office Articles of Amendment (the “Amendment”) to amend its Second Amended and Restated Articles of Incorporation, as amended (“Articles of Incorporation”). As a result of the Amendment, the Company has authorized and approved a 1-for-5 reverse stock split of the Company’s authorized shares of common stock from 300,000,000 shares to 60,000,000 shares, accompanied by a corresponding decrease in the Company’s issued and outstanding shares of common stock (the “2023 Reverse Stock Split”).

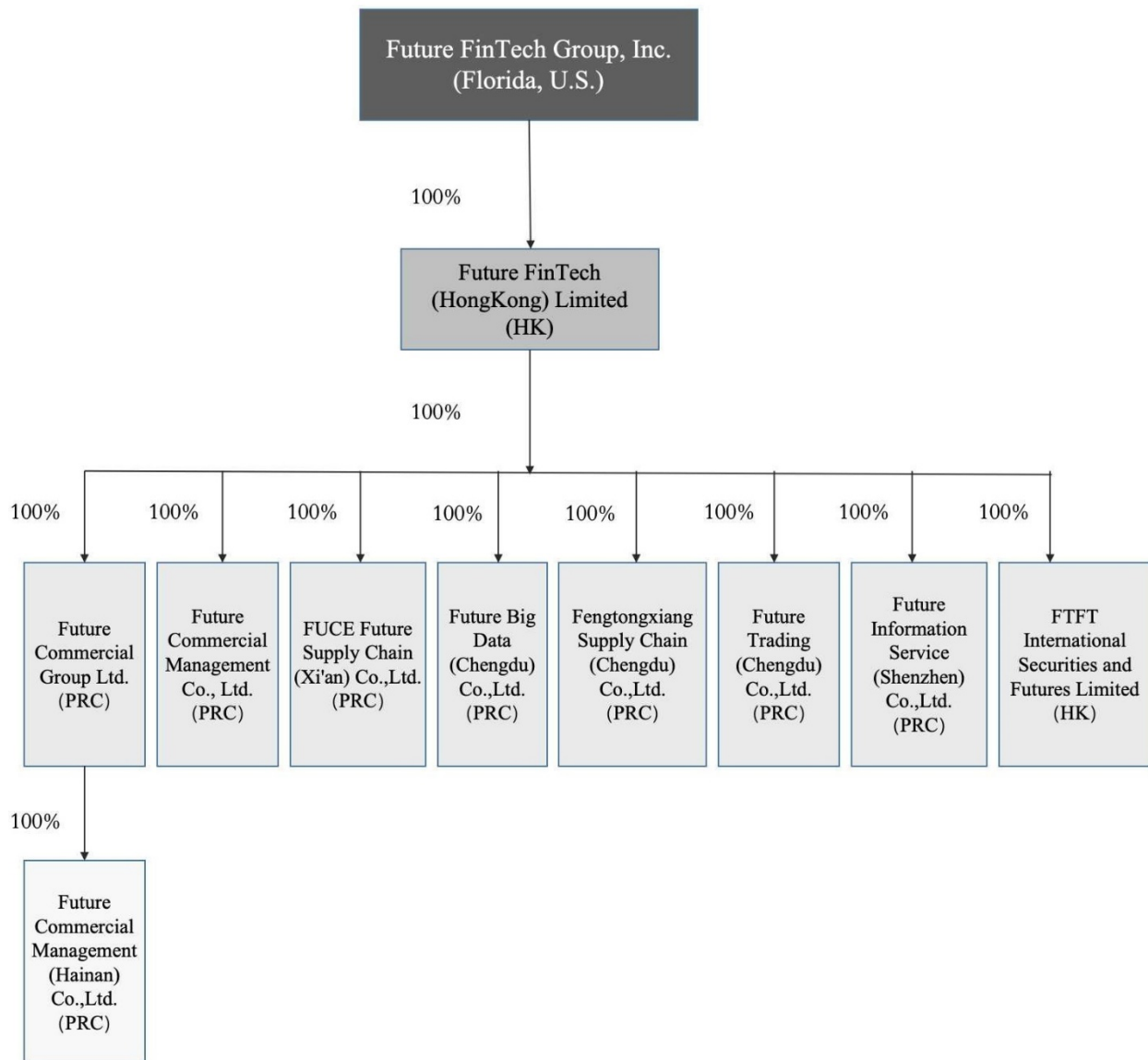
On March 27, 2025, the Company filed with the Florida Secretary of State’s office Articles of Amendment (the “Amendment”) to amend its Second Amended and Restated Articles of Incorporation, as amended (“Articles of Incorporation”). As a result of the Amendment, the Company has authorized and approved a 1-for-10 reverse stock split of the Company’s authorized shares of common stock from 60,000,000 shares to 6,000,000 shares, accompanied by a corresponding decrease in the Company’s issued and outstanding shares of common stock (“2025 Reverse Stock Split”, collectively with 2023 Reverse Stock Split as “Reverse Splits”). The common stock will continue to be \$0.001 par value. The Company rounded up the fractional shares that result from the 2025 Reverse Stock Split and no fractional shares will be issued in connection with the 2025 Reverse Stock Split and no cash or other consideration will be paid in connection with any fractional shares that would otherwise have resulted from the 2025 Reverse Stock Split. No changes are being made to the number of preferred shares of the Company which remain as 10,000,000 preferred shares as authorized but not issued. The amendment to the Articles of Incorporation of the Company took effect at 1:00pm E.T. on April 1, 2025.

The Company operated a blockchain based online shopping platform, Chain Cloud Mall (“CCM”) Chain Cloud Mall through its VIE and its business was materially and negatively affected during the outbreak of COVID-19 because the Company was unable to implement its promotion strategy to enroll new members through training of such members and distributors via meetings and conferences which was not possible during the outbreak of COVID-19. CCM has generated minimal revenue and business since 2021, despite the Company transformed the member-based business model of CCM to a sale agent based “Enterprise Communication as A Service” or eCAAS platform during the second quarter of 2021. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

The Company currently has one directly controlled subsidiary Future FinTech (Hong Kong) Limited, a company incorporated under the laws of Hong Kong.

SkyPeople Foods Holdings Limited (“SkyPeople BVI”) was a wholly owned subsidiary of the Company and a company organized under the laws of the British Virgin Islands, which held 100% of the equity interest of HeDeTang Holdings (HK) Ltd. (“HeDeTang HK”), a company organized under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), and HeDeTang HK held 73.42% of the equity interest of SkyPeople Juice Group Co., Ltd., (“SkyPeople (China)”), a company incorporated under the laws of the PRC. SkyPeople (China) had eleven subsidiaries in the PRC, which were mainly involved in the production and sales of fruit juice concentrates, fruit juice beverages and other fruit-related products in the PRC and overseas markets. On February 27, 2020, SkyPeople BVI (the “Seller”) completed the transfer of its ownership of HeDeTang HK to New Continent International Co., Ltd. (the “Buyer”), an unrelated third party and a company incorporated in the British Virgin Islands for a total price of RMB 0.6 million (approximately \$85,714), pursuant to a Share Transfer Agreement entered into by the Seller and the Buyer on September 18, 2019 and approved at the special shareholders meeting of the Company on February 26, 2020 (the “Sale Transaction”). SkyPeople BVI had no operational assets or business after the transfer and the Company dissolved SkyPeople BVI on July 27, 2020.

Our organizational structure as of December 31, 2024 is set forth in the diagram:



VIE Contractual Arrangements

On July 31, 2019, Cloud Chain Network and Technology (Tianjin) Co., Limited (“CCM Network” or “CCM Tianjin”, formerly known as Chain Cloud Mall Network and Technology (Tianjin) Co., Limited), Cloud Chain E-Commerce (Tianjin) Co., Ltd., formerly known as Chain Cloud Mall E-Commerce (Tianjin) Co., Ltd. (“E-Commerce Tianjin”), a limited liability company incorporated under the laws of China, and Mr. Zeyao Xue and Mr. Kai Xu, citizens of China and together 100% shareholders of E-Commerce Tianjin, entered into the following agreements, or collectively, the “Variable Interest Entity Agreements” or “VIE Agreements,” pursuant to which CCM Network has contractual rights to control and operate the business of E-commerce Tianjin (the “VIE”). Mr. Zeyao Xue is a major shareholder of the Company. Mr. Kai Xu was the Chief Operating Officer of the Company then and currently is the Deputy General Manager of FT Commercial Group Ltd., a wholly owned subsidiary of the Company and the vice president of blockchain division of the Company. The VIE was consolidated for accounting purposes but was not an entity in which we own equity.

Pursuant to Chinese law and regulations, a foreign owned enterprise cannot apply for and hold a license for operation of certain e-commerce businesses. CCM Network is an indirectly wholly foreign owned enterprise of the Company (“WFOE”). In order to comply with Chinese law and regulations, CCM Network agreed to provide E-Commerce Tianjin an Exclusive Operation and Use Rights Authorization to operate and use the Chain Cloud Mall System owned by CCM Network.

The following is a summary of the contractual arrangements relating to E-Commerce Tianjin.

Contractual Arrangements with The Consolidated Affiliated Entity and Its Respective Shareholders

The contractual arrangements with the VIE and its shareholders allowed us to consolidate financial results of the VIE in our financial statements because we have satisfied conditions for consolidation of the VIE under U.S. GAAP, pursuant to which E-Commerce Tianjin is considered a VIE under the Statement of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810 “Consolidation”, because the equity investments in E-Commerce Tianjin no longer have the characteristics of a controlling financial interest, and the Company, through CCM Network, is the primary beneficiary of E-Commerce Tianjin for accounting purposes. A VIE is an entity that either has a total equity investment that is insufficient to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest, such as through voting rights, right to receive the expected residual returns of the entity. The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary of, and must consolidate, the VIE. CCM Network had a controlling financial interest in, receives the economic benefits from, is the primary beneficiary of and has the power to direct the activities of the VIE to the extent that it has satisfied the conditions for consolidation of the VIE under U.S. GAAP. Pursuant to the contractual arrangements with CCM Network, E-Commerce Tianjin shall pay service fees equal to all of its net profit after tax to CCM Network. Such contractual arrangements are designed so that the E-Commerce Tianjin would operate for the benefit of CCM Network and ultimately, the Company.

As a result of the contractual arrangements with the VIE, we were regarded as the primary beneficiary of the VIE for accounting purposes, and we treat the VIE and its subsidiaries as the consolidated affiliated entities under U.S. GAAP. We have consolidated the financial results of the VIE in our consolidated financial statements in accordance with U.S. GAAP.

Exclusive Technology Consulting and Service Agreement.

Pursuant to the Exclusive Technology Consulting and Service Agreement, CCM Network agreed to act as the exclusive consultant of E-Commerce Tianjin and provide technology consulting and services to E-Commerce Tianjin. In exchange, E-Commerce Tianjin agreed to pay CCM Network a technology consulting and service fee, the amount of which is to be equivalent to the amount of net profit before tax of E-Commerce Tianjin, payable on a quarterly basis after making up losses of previous years (if necessary) and deducting necessary costs and expenses related to the business operations of E-Commerce Tianjin. Without the prior written consent of CCM Network, E-Commerce Tianjin may not accept the same or similar technology consulting and services provided by any third party during the term of the agreement. All the benefits and interests generated from the agreement, including but not limited to intellectual property rights, know-how and trade secrets, will be CCM Network’s sole and exclusive property. This agreement has a term of 10 years and may be extended unilaterally by CCM Network with CCM Network’s written confirmation prior to the expiration date. E-Commerce Tianjin cannot terminate the agreement early unless CCM Network commits fraud, gross negligence or illegal acts, or becomes bankrupt or winds up.

Exclusive Purchase Option Agreement and Power of Attorney.

Pursuant to the Exclusive Purchase Option Agreement, Mr. Zeyao Xue and Mr. Kai Xu granted to CCM Network and any party designated by CCM Network the exclusive right to purchase, at any time during the term of this agreement, all or part of the equity interests in E-Commerce Tianjin, or the “Equity Interests,” at a purchase price equal to the

registered capital paid by Mr. Zeyao Xue and Mr. Kai Xu for the Equity Interests, or, in the event that applicable law requires an appraisal of the Equity Interests, the lowest price permitted under applicable law. Pursuant to powers of attorney executed by Mr. Zeyao Xue and Mr. Kai Xu, they irrevocably authorized any person appointed by CCM Network to exercise all shareholder rights, including but not limited to voting on their behalf on all matters requiring approval of E-Commerce Tianjin's shareholder, disposing of all or part of the shareholder's equity interest in E-Commerce Tianjin, and electing, appointing or removing directors and executive officers. The person designated by CCM Network is entitled to dispose of dividends and profits on the equity interest without reliance on any oral or written instructions of Mr. Zeyao Xue and Mr. Kai Xu. The powers of attorney will remain in force for so long as Mr. Zeyao Xue and Mr. Kai Xu remain the shareholders of E-Commerce Tianjin. Mr. Zeyao Xue and Mr. Kai Xu have waived all the rights which have been authorized to CCM Network's designated person under the powers of attorney.

Equity Pledge Agreement.

Pursuant to the Equity Pledge Agreements, Mr. Zeyao Xue and Mr. Kai Xu pledged all of the Equity Interests to CCM Network to secure the full and complete performance of the obligations and liabilities on the part of E-Commerce Tianjin and them under this and the above contractual arrangements. If E-Commerce Tianjin, Mr. Zeyao Xue, or Mr. Kai Xu breaches their contractual obligations under these agreements, then CCM Network, as pledgee, will have the right to dispose of the pledged equity interests. Mr. Zeyao Xue and Mr. Kai Xu agree that, during the term of the Equity Pledge Agreements, they will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests, and they also agree that CCM Network's rights relating to the equity pledge should not be interfered with or impaired by the legal actions of the shareholders of E-Commerce Tianjin, their successors or designees. During the term of the equity pledge, CCM Network has the right to receive all of the dividends and profits distributed on the pledged equity. The Equity Pledge Agreements will terminate on the second anniversary of the date when E-Commerce Tianjin, Mr. Zeyao Xue and Mr. Kai Xu have completed all their obligations under the contractual agreements described above.

Spousal Consent Letters. The spouse of Mr. Kai Xu (Mr. Zeyao Xue is not married), the shareholder of E-Commerce Tianjin has signed a spousal consent letter agreeing that the equity interests in E-Commerce Tianjin held by and registered under the name of such shareholder will be disposed pursuant to the contractual agreements with CCM Network. The spouse of such shareholder agreed not to assert any rights over the equity interest in E-Commerce Tianjin held by such shareholder.

The VIE is consolidated for accounting purposes but is not an entity in which we own equity. Since 2021, the VIE has generated minimal revenue and business for the Company due to negative impact by COVID-19 and the Company started a process to close it down in November 2023. On March 7, 2024, the Company completed deregistration and dissolution of the VIE with the approval by CCM Network, E-Commerce Tianjin, Mr. Zeyao Xue and Mr. Kai Xu.

Dividend Distribution and Cash Transfer Between the Holding Company and Subsidiaries

Our PRC operating entities receive a substantial part of our revenue in the RMB. Under our current corporate structure, to fund any cash and financing requirements we may have, the Company may rely on dividend payments from its ten direct wholly-owned subsidiaries. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from State Administration of Foreign Exchange or the SAFE by complying with certain procedural requirements. Therefore, our Chinese subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. Approval from or registration with appropriate government authorities is, however, required where the RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. For the Company and our subsidiaries in Hong Kong, BVI, Japan,

Cayman, UK, Dubai and U.S. (“Non-PRC Entities”), there is no restrictions on foreign exchange for such entities and they are able to transfer cash among these entities across borders. Also, there is no restrictions and limitations on the abilities of Non-PRC Entities to distribute earnings from their businesses, including from subsidiaries to the parent company or from the Company to the U.S. investors.

Current PRC regulations permit our PRC subsidiaries to pay dividends to the Company only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Each such entity in China is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at the discretion of its board of directors. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation. Under the existing laws of Hong Kong, funds from capital accounts can be repatriated and remitted overseas without restrictions, and there is no foreign exchange control imposed.

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To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets. See *“Risk Factor - We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements.”* and *“Risk Factor - We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets.”* We intend to keep any future earnings to re-invest in and finance the expansion of our business, and we do not anticipate that any cash dividends will be paid in the foreseeable future. We currently don’t have any cash management policies and procedures in place that dictate how funds are transferred through our organization. Rather, the funds can be transferred in accordance with the applicable PRC laws and regulations.

Cash dividends, if any, on our shares of common stock will be paid in U.S. dollars. If we are considered a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders may be regarded as China-sourced income and as a result may be subject to PRC withholding tax at a rate of up to 10.0%. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Tax Evasion With Respect to Taxes On Income, or the Double Tax Avoidance Arrangement, the 10% withholding tax rate may be lowered to 5%, if the recipient of the relevant dividends qualifies certain necessary requirements, including without limitation that (a) the Hong Kong project must be the beneficial owner of the relevant dividends; and (b) the Hong Kong project must directly hold no less than 25% share ownership in the PRC project during the 12 consecutive months preceding its receipt of the dividends. The 5% withholding tax rate, however, does not automatically apply and in current practice, a Hong Kong project must obtain a tax resident certificate from the Hong Kong tax authority to apply for the 5% lower PRC withholding tax rate. As the Hong Kong tax authority will issue such a tax resident certificate on a case-by-case basis, we cannot assure you that we will be able to obtain the tax resident certificate from the relevant Hong Kong tax authority and enjoy the preferential withholding tax rate of 5% under the Double Taxation Arrangement with respect to any dividends paid by our PRC subsidiaries to its immediate holding company, Future FinTech (Hong Kong) Limited. As of the date of this report, we have not applied for the tax resident certificate from the relevant Hong Kong tax authority. Future FinTech (Hong Kong) Limited intends to apply for the tax resident certificate if and when its PRC subsidiaries plan to declare and pay dividends to Future FinTech (Hong Kong) Limited.

Impact of COVID-19 on our Business

In December 2019, a novel strain of coronavirus was reported and has spread throughout China and other parts of the world. On March 11, 2020, the World Health Organization characterized the outbreak as a “pandemic”. In early 2020, Chinese government took emergency measures to combat the spread of the virus, including quarantines, travel restrictions, and the temporary closure of office buildings and facilities in China. In response to the evolving dynamics related to the COVID-19 outbreak, the Company was following the guidelines of local authorities as it prioritizes the health and safety of its employees, contractors, suppliers and business partners. Our offices in China were closed and the employees worked from home at the end of January 2020 until late March 2020. The quarantines, travel restrictions, and the temporary closure of office buildings have materially negatively impacted our business. The outbreak has had and might continue to have disruption to our supply chain, logistics providers, customers or our marketing activities with the new variants of COVID-19, which could materially adversely impact our business and results of operations. There were outbreaks in various cities and provinces in China due to Omicron variant, such as Xi’an city, Hong Kong, Shanghai, Beijing and other cities in 2022, which have resulted quarantines, travel restrictions, and temporary closure of office buildings and facilities in these cities. In December 2022, the Chinese government eased its strict zero COVID-19 policy which resulted in a surge of new COVID-19 cases during December 2022 and January 2023, which has disrupted our business operations in China. The Company’s promotion strategy of CCM Shopping Mall previously mainly relied on the training of members and distributors through meetings and conferences. Chinese government put a restriction on large gatherings in 2020 and 2021, which made the promotion strategy for our online e-commerce platforms difficult to implement and the Company experienced difficulties to subscribe new members for its online e-commerce platforms. Since 2021, CCM generated minimal revenue and business for the Company. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

While the potential economic impact brought by new variants of COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. Further, as we do not have access to a revolving credit facility, there can be no assurance that we would be able to secure commercial debt financing in the future in the event that we require additional capital. In the event that we do need to raise capital in the future and there is any outbreak due to new variants, outbreak-related instability in the securities markets could adversely affect our ability to raise additional capital.

Company Strategy and Principal Products and Services

Our core business historically was in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in the PRC and internationally. Due to drastically increased production cost and tightened environmental laws in China, the Company has transformed its main business from fruit juice manufacturing and distribution to a real-name blockchain e-commerce platform that integrates blockchain and internet technology in fiscal year 2019. Due to the outbreak of COVID-19, the Chinese government put a restriction on large gatherings. These restrictions made the promotion strategy for our online e-commerce platforms difficult to implement and the Company experienced difficulties to subscribe new members for its online e-commerce platforms. Since 2021, CCM e-commerce platform has generated minimal revenue and business for the Company. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024. In November 2024, the Company sold NTAM to a third party for HK\$2.4 million. Currently, the Company mainly generates its revenues from its supply chain financing/trading business. During the fiscal year of 2024, the supply chain financing business and asset management business of NTAM contributed 7% and 86% of our revenues, respectively. During the fiscal year of 2023, the supply chain financing business and asset management business of NTAM contributed 59% and 37% of our revenues, respectively.

On February 27, 2023, Future FinTech (Hong Kong) Limited (“Buyer”), a company incorporated in Hong Kong and a wholly owned subsidiary of Future FinTech Group Inc. (the “Company”) entered into a Share Transfer Agreement (the “Agreement”) with Alpha Financial Limited, a company incorporated in Hong Kong (“Seller”) and sole owner and shareholder of Alpha International Securities (Hong Kong) Limited, a company incorporated in Hong Kong

(“Alpha HK”) and Alpha Information Service (Shenzhen) Co., Ltd., a company incorporated in China (“Alpha SZ”). Alpha HK holds Type 1 ‘Securities Trading’, Type 2 ‘Futures Contract Trading’ and Type 4 ‘Securities Consulting’ financial licenses issued by the Hong Kong Securities and Futures Commission. Alpha SZ provides technical support services to Alpha HK. The share transfer transaction was approved by the Securities and Futures Commission of Hong Kong (“SFC”) in August 2023 and the acquisition was closed on November 7, 2023. The names of the two entities were subsequently changed to ‘FTFT International Securities and Futures Limited’ and ‘FTFT Information Services (Shenzhen) Co. Ltd.’, respectively.

The Company is in the process of transition and developing its financial technology related business, including supply chain financing/trading, and investment banking and brokerage services.

Supply Chain Financing Service and Trading in China

Since the second quarter of 2021, we started supply chain financing service and trading business, which currently includes coal, aluminum ingots, sand and steel supply chain financing service and trading business.

Our supply chain finance business mainly serves the receivables and payables of industrial customers, obtains the creditor’s rights or commodity goods rights of large state-owned enterprises through trade execution, provides customers with working capital, accelerates capital turnover, and then expands the business scale and improves the industrial value.

Through our supply chain service ability and customer resources, we can tap into low-risk assets, flexibly carry out financial services around the actual financial needs of certain industries, and reduce the overall risk of the business by using the control of business flow, goods logistics and capital flow in the process of commodity circulation.

We focus on bulk commodity goods such as sand, steel, coal and aluminum ingots and take large state-owned or listed companies as the core service targets; We use our own funds as the operation basis, actively uses a variety of channels and products for financing, such as banks, commercial factoring companies, accounts receivable, asset-backed securities, and other innovative financing methods to obtain sufficient funds.

We sign purchase and sale agreements with suppliers and buyers. The suppliers are responsible for the supply and transportation of goods to the end users’ designated freight yard or transfer the title to us in certain warehouses. We also provide trading service as we don’t take control over the ownership of the goods but receive lower margin for the transaction. For the sale of goods where we obtain control of the goods before transferring it to the customer, we recognize revenue based on the gross revenue amount billed to customers as sales of goods. We consider multiple factors when determining whether we obtain control of third-party goods, including evaluating if we can establish the price of the goods, retain inventory risk for tangible goods or have the responsibility for ensuring acceptability of the goods. We recognize net revenue as agent services for the sales of coals, aluminum ingots, sand and steel when no control obtained throughout the transactions. We select the customers and suppliers that have good credit and reputation.

Asset Management, Brokerage and Investment Banking Services in Hong Kong.

The Company acquired 90% of the issued and outstanding shares of Nice Talent Asset Management Limited (“NTAM”), a Hong Kong-based asset management company in August 2021. NTAM was founded in 2018 and it engages asset management and advisory services. NTAM is licensed under the Securities and Futures Commission of Hong Kong (SFC) for carrying out regulated activities in “Advising on Securities” and “Asset Management”. NTAM offers diversified asset management portfolio for professional investors. Assets of NTAM’s clients are held in banks, where clients gave the banks their authorization allowing NTAM to place trading instructions on behalf of the clients in order to manage the clients’ assets. NTAM mainly engages in following asset management services for its clients: (1) Equity Investment, (2) Debt investment, (3) Precious metals and currencies investment, (4) Derivative Investment and (5) External Asset Management Services (EAM). NTAM’s main revenue is generated from providing professional

advises to clients and management fees for managing the investment of the clients. In order to retain talent in view of the increased turnover in the industry in Hong Kong, top performers of NTAM who had worked with the company for years were granted the right to subscribe for new shares of NTAM with cash. As a result, in July 2023, 19 shares of NTAM were issued to Ms. Lau Kwai Chun at a cash consideration of HK\$1,786,301 and in December 2023, 11 shares of NTAM were issued to Aspenwood Capital Partner Limited at a cash consideration of HK\$1,034,174. Due to the abovementioned 30 new shares issuance, the Company's holding of NTAM decreased from 90% to 77.14%. In August 2024, NTAM issued additional 168 shares with HK\$17,900 each for a total of HK\$3,007,200 by way of rights subscription offer to three existing shareholders of NTAM and Future Fintech (Hong Kong) Limited did not participate in the subscription and an outsider investor purchased the shares. After the right subscription, the shareholding percentage of NTAM by Future Fintech (Hong Kong) Limited decreased from 77.14% to 42.86%. In November 2024, the Company closed the sale of its remaining 42.86% ownership of NTAM to a third party for HK\$2.4 million and is no longer in asset management business in Hong Kong.

In November 2023, the Company completed the acquisition of Alpha International Securities (Hong Kong) Ltd. and changed its names to FTFT International Securities and Futures Limited ("FTFT International"). Founded in 2010, FTFT International focuses on three main areas of financial services: (1) online brokerage services consisting of Hong Kong equities as well as US equities where its works with its partner, a US brokerage firm, (2) underwriting and distribution of Hong Kong IPOs, and (3) underwriting U.S. dollar-denominated bonds issued by Chinese companies in Hong Kong. FTFT International Securities holds Type 1 "Securities Trading", Type 2 "Futures Trading" and Type 4 "Securities Advisory" financial licenses issued by the HK SFC. FTFT International provides customers with a full range of financial services in Hong Kong including online brokerage services, IPOs, financial advisory services and US dollar-based Chinese municipal and enterprise bond issuance services. FTFT International has over 60,000 customer accounts, and since 2020 it has underwritten 29 IPOs in Hong Kong. In terms of offshore US dollar-based Chinese bond issuance, since 2020 FTFT International has underwritten nine Chinese municipal and enterprise bonds in Hong Kong.

Competition and our Competitive Advantages

Brokerage and Investment Banking Services

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

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

Supply Chain Finance Market in China

We believe our supply chain finance business has the following competitive strengths and set us apart from our competitors:

(1) Independent risk control management system

At the beginning of its establishment, we established a complete and independent risk control management system for our supply chain finance business, and have strictly implemented the unified and comprehensive risk control management for customer access, contract signing, business execution, and capital allocation.

(2) High-quality customer groups

The criteria for our corporate clients are generally the wholly owned or controlled subsidiaries of large state-owned companies or publicly listed companies. At present, our customers are mainly in the coal, sand and metal industries, power generation, construction and heating industries, which includes subsidiary of China Datang Corporation, one of the five large-scale power generation enterprises in China.

(3) Standardization of financing process and system

To improve operational efficiency and decision-making timeliness, we have established a standardized financing process and system to provide supply chain finance and services.

(4) Access to capital market

One of the key elements to the supply chain finance is to have access to sufficient funds in order to expand its business and increase number of clients. Our supply chain business will take the advantage as a subsidiary of the public company of Future FinTech as well as its other financial technology business development to obtain enough funds for its further development and provide comprehensive financial services to its clients.

Marketing and Sales

We market our supply chain financing services to large state-owned or controlled enterprises and public company, with a focus on energy, construction and metal industries. Our supply chain finance business has established a high-quality team that fully understands our strategy and market situation and is sensitive to market changes to find target customers and expand our business. Based on standardized operation, our team has established a good reputation in the cooperation with existing customers, and to reach out to their respective upstream and downstream business partners to expand our business scope.

FTFT International Securities and Futures Ltd. (“FTFT Securities”), founded in 2010, is a HKSFCA approved and licensed corporation (Central Number: ATR(516)) and holds type 1, type 2 and type 4 activities licenses. FTFT Securities is also a Hong Kong stock exchange participant and strictly follows the securities and futures regulations to provide customers with safe and reliable securities trading services.

FTFT Securities is committed to build a financial services platform that is in line with the customers’ business philosophy, and to provide customers with safe, efficient, convenient investment experience.

At present, the main business of the FTFT Securities is: Hong Kong stock brokerage business, equity capital market business (ECM) and debt capital market business (DCM). In the future, the company will combine its own business advantages with the group, deeply cultivate overseas market, and provide more comprehensive and cutting-edge financial services for global customers.

Government Regulations

Regulations on Cybersecurity Review

On December 28, 2021, Cybersecurity Review Measures was published by Cyberspace Administration of China or the CAC, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People’s Bank of China, State Administration of Radio and Television, China Securities Regulatory Commission, State Secrecy Administration and State Cryptography Administration, effective on February 15, 2022, which provides that, Critical Information Infrastructure Operators (“CIIOs”) that purchase internet products and services and Online Platform Operators engaging in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office.

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises

On February 17, 2023, the CSRC released New Overseas Listing Rules with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market.

Regulations Relating to Pledged Assets and Rights in PRC

On January 1, 2021, the Civil Code of China took effective which replaced the Guarantee Law, Contract Law, Property Law and General Provisions of Civil Law. The credit control measures used in supply chain finance business mostly are subject to the relevant provisions of the Civil Code. Article 681 of the Civil Code stipulates that a guarantee contract is a contract to ensure the realization of creditor's rights. The guarantor and the creditor may agree when the debtor fails to pay its due debts or the event agreed by the parties occur, the guarantor shall pay the debts or bear responsibility. Article 696 of the Civil Code stipulates that if the creditor transfers all or part of the creditor's rights without notifying the guarantor, the transfer shall have no effect on the guarantor. The guarantor and the creditor may agree to prohibit the transfer of creditor's rights. Also, if the collateral lien is not registered, it cannot be used against a bona fide third party. A bona fide third party means a buyer who has paid a reasonable price and obtained the property in normal business activities. In supply chain finance business, the bulk goods are usually used as collaterals for the financing and the pledge must be registered in order to be used against the claim from a bona fide buyer. Certain accounts receivable may be pledged pursuant to the Civil Code. Article 440 of the Civil Code stipulates that the debtor or a third party that has the disposal rights to the assets may pledge such assets, including bills of exchange, promissory notes and cheques, bonds and certificates of deposit, warehouse receipt and bill of lading, etc. The Decision On Implementation of Unified Registration of Tangible Assets and Rights Guarantees by the State Council became effective on January 1, 2021. The types of tangible assets and right guarantees covered by the unified registration include production equipment, raw materials, semi-finished products and products, accounts receivable, deposit certificate, warehouse receipt and bill of lading, finance lease and factoring, etc. The tangible assets and rights guarantee covered by the unified registration shall be registered by the parties through the unified registration and publicity system of tangible assets financing under the credit investigation center of the People's Bank of China, and parties shall be responsible for the authenticity, integrity and legitimacy of the registered contents. The registration authority does not conduct substantive examination of the registered contents.

Regulations Relating to Securities Services in Hong Kong.

The Securities and Futures Ordinance (Cap. 571) of Hong Kong, or the HKSF, including its subsidiary legislation, is the principal legislation regulating the securities and futures industry in Hong Kong, including the regulation of securities and futures markets and leveraged foreign exchange trading, the offering of investments to the public in Hong Kong, and intermediaries and their conduct of regulated activities. In particular, Part V of the HKSF and the relevant guidelines and codes issued by the HKSF deal with licensing and registration matter.

The HKSF is administered by the HKSC, which is the statutory regulatory body that governs the securities and futures markets and non-bank retail leveraged foreign exchange market in Hong Kong.

The HKSC is an independent statutory body which administers the HKSF and is responsible for regulating the securities and the futures industry in Hong Kong, including Brokers, investment advisers, fund managers, and intermediaries carrying out the regulated activities as listed in “—Licensing Regime Under the HKSF—Types of Regulated Activities” below. The HKSC works to strengthen and protect the integrity and soundness of Hong Kong’s securities and futures markets for the benefit of investors and the industry.

Licensing Regime Under the HKSF

The functions of the HKSC, as a gatekeeper of standards for individuals and corporations seeking approval to enter into the securities and futures markets of Hong Kong, include the following:

- grant licenses to those who are appropriately qualified and can demonstrate their fitness and properness to be licensed under the HKSF;
- maintain online a public register of licensed persons and registered corporations;
- monitor the ongoing compliance of licensing requirements by licensees, substantial shareholders of licensed corporations, and directors of licensed corporations; and
- initiate policies on licensing issues.

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The HKSC operates a system of authorizing corporations and individuals (through licenses) to act as financial intermediaries. Under the HKSF, a corporation that is not an authorized financial institution (as defined in section 2(1) of the Banking Ordinance (Cap. 155) of Hong Kong) and is:

- carrying on a business in a regulated activity (or holding out as carrying on a regulated activity), or
- actively marketing, whether in Hong Kong or from a place outside Hong Kong, to the public such services it provides, would constitute a regulatory activity if provided in Hong Kong,

must be licensed by the HKSC to carry out that regulatory activity, unless one of the exemptions under the HKSF applies.

In addition to the licensing requirements on corporations, any individual who: (i) performs any regulated function in relation to a regulated activity carried on as a business, or (ii) holds himself out as performing such regulated activity, must be licensed separately under the HKSF as a Licensed Representative accredited to his principal.

Types of Regulated Activities Under the HKSF

The HKSF provides a licensing regime under which a person needs a license to carry on different types of regulated activities as specified in Schedule 5 of the HKSF. The different types of regulated activities are set out as follows:

- Type 1: dealing in securities;
- Type 2: dealing in futures contracts;
- Type 3: leveraged foreign exchange trading;
- Type 4: advising on securities;
- Type 5: advising on futures contracts;
- Type 6: advising on corporate finance;
- Type 7: providing automated trading services;
- Type 8: securities margin financing;
- Type 9: asset management;
- Type 10: providing credit rating services;
- Type 11: Dealing in OTC derivative products or advising on OTC derivative products; and
- Type 12: Providing client clearing services for OTC derivative transactions.

The Type 12 regulated activity came into operation on September 1, 2016 pursuant to the Securities and Futures (Amendment) Ordinance 2014 (Commencement) Notice 2016 (L.N. 27 of 2016), in so far as it relates to paragraph (c) of the new definition of “excluded services” in Part 2 of Schedule 5 to the HKSFPO. The licensing requirement with respect to Type 12 regulated activity is, as of the date of this annual report, not yet in operation and the effective date will be appointed by the Hong Kong Secretary for Financial Services and the Treasury by notice published in the Gazette.

As of the date of this annual report, our subsidiary FTFT Securities are licensed under the HKSFPO to conduct the following regulated activities:

Company	Type of Regulated Activities
FTFT International Securities and Futures Ltd. (“FTFT Securities”)	Type 1, Type 2 and Type 4

Licensed Corporation

For application as a licensed corporation, the applicant has to be incorporated in Hong Kong or an overseas company registered with the Companies Registry of Hong Kong. The licensed corporation has to satisfy the HKSFPO that it has proper business structure, good internal control systems and qualified personnel to ensure the proper management of risks that it will encounter in carrying on the proposed regulated activities as detailed in its business plan submitted to the HKSFPO. Detailed guidelines to meet the requirements and expectations of the HKSFPO are contained in the following publications of the HKSFPO:

- “Guidelines on Competence”;
- “the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission,” or the Code of Conduct;
- “the Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the HKSF”;
- “Corporate Finance Adviser Code of Conduct”; and
- “Fund Manager Code of Conduct.”

Responsible Officers

For each regulated activity conducted by a licensed corporation, it must appoint no less than two responsible officers, at least one of them must be an executive director, to directly supervise the business of such regulated activity. A responsible officer is an individual approved by the HKSF to supervise the regulated activity or activities of the licensed corporation to which he or she is accredited. For each regulated activity of a licensed corporation, it should have at least one responsible officer available at all times to supervise the business.

Qualification and Experience Required for Being a Responsible Officer

A person who intends to apply to be a responsible officer must demonstrate that he or she fulfills the requirements on both competence and sufficient authority. An applicant should possess appropriate ability, skills, knowledge, and experience to properly manage and supervise the corporation’s regulated activity or activities. Accordingly, the applicant has to fulfill certain requirements on academic and industry qualifications, relevant industry experience, management experience, and local regulatory framework paper as stipulated by the HKSF.

Managers-in-Charge of Core Functions, or MICs

A licensed corporation is required to designate certain individuals as MICs and provide to the HKSF information about its MICs and their reporting lines. MICs are individuals appointed by a licensed corporation to be principally responsible, either alone or with others, for managing each of the following eight core functions of the licensed corporation:

- (a) overall management oversight;
- (b) key business lines;
- (c) operational control and review;
- (d) risk management;
- (e) finance and accounting;
- (f) information technology;
- (g) compliance; and
- (h) anti-money laundering and counter-terrorist financing.

The management structure of a licensed corporation (including its appointment of MICs) should be approved by the board of the licensed corporation. The board should ensure that each of the licensed corporation's MICs has acknowledged his or her appointment as MIC and the particular core function(s) for which he or she is principally responsible.

Fit and Proper Requirement

Persons who apply for licenses under the HKSFO must satisfy and continue to satisfy after the grant of such licenses by the HKSFC that they are fit and proper persons to be so licensed. Generally, a fit and proper person means one who is financially sound, competent, honest, reputable, and reliable.

Section 129(1) of the HKSFO sets out a number of matters that the HKSFC shall have regard to in assessing the fitness and properness of a person, an individual, corporation, or institution, which includes:

- financial status or solvency;
- educational or other qualifications or experience having regard to the nature of the functions to be performed;
- ability to carry on the regulated activity concerned competently, honestly, and fairly; and
- reputation, character, reliability, and financial integrity of the applicant and other relevant persons as appropriate.

The above fit and proper criteria serve as the fundamental basis when the HKSFC considers each license or registration application. Detailed guidelines are contained in "the Fit and Proper Guidelines," "the Licensing Information Booklet," and "the Guidelines on Competence" published by the HKSFC.

The Fit and Proper Guidelines apply to a number of persons including the following:

- an individual who applies for license or is licensed under Part V of the HKSFO;
- a licensed representative who applies for approval or is approved as a responsible officer under Part V of the HKSFO;
- a corporation which applies for license or is licensed under Part V of the HKSFO;
- an authorized financial institution which applies for registration or is registered under Part V of the HKSFO;
- an individual whose name is to be or is entered in the register maintained by the Hong Kong Monetary Authority under section 20 of the Banking Ordinance (Cap. 155) of Hong Kong; and
- an individual who applies to be or has been given consent to act as an executive director of a registered institution under section 71C of the Banking Ordinance (Cap. 155 of Hong Kong).

Section 129(2) of the HKSFO empowers the HKSFC to take into consideration any of the following in considering whether a person is fit and proper:

- decisions made by such relevant authorities as stated in section 129(2)(a) of the HKSFO or any other authority or regulatory organization, whether in Hong Kong or elsewhere, in respect of that person;
- in the case of a corporation, any information relating to:

- any other corporation within the group of companies; or
- any substantial shareholder or officer of the corporation or of any of its group companies;
- in the case of a corporation licensed under section 116 or 117 of the HKSFO or registered under section 119 of the HKSFO or an application for such license or registration:
 - any information relating to any other person who will be acting for or on its behalf in relation to the regulated activity; and
 - whether the person has established effective internal control procedures and risk management systems to ensure its compliance with all applicable regulatory requirements under any of the relevant provisions;
- in the case of a corporation licensed under section 116 or section 117 of the HKSFO or an application for the license, any information relating to any person who is or to be employed by, or associated with, the person for the purposes of the regulated activity; and
- the state of affairs of any other business which the person carries on or proposes to carry on.

The HKSFC is obliged to refuse an application to be licensed if the applicant fails to satisfy the HKSFC that the applicant is a fit and proper person to be licensed. The onus is on the applicant to make out a case that the applicant is fit and proper to be licensed for the regulated activity.

Continuing Obligations of Licensed Corporations

Licensed corporations, licensed representatives, and responsible officers must remain fit and proper as defined under the HKSFO at all times. They are required to comply with all applicable provisions of the HKSFO and its subsidiary rules and regulations as well as the codes and guidelines issued by the HKSFC.

Outlined below are some of the key continuing obligations of the licensed corporations within the Group under the HKSFO:

- maintenance of minimum paid-up share capital and liquid capital, and submission of financial returns to the HKSFC in accordance with the requirements under the Securities and Futures (Financial Resources) Rules (as discussed in more detail below);
- maintenance of segregated account(s), and custody and handling of client securities in accordance with the requirements under the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong);
- maintenance of segregated account(s), and holding and payment of client money in accordance with the requirements under the Securities and Futures (Client Money) Rules (Chapter 571I of the Laws of Hong Kong);
- maintenance of proper records in accordance with the requirements prescribed under the Securities and Futures (Keeping of Records) Rules (Chapter 571O of the Laws of Hong Kong);
- maintenance of insurance against specific risks for specified amounts in accordance with the requirements under the Securities and Futures (Insurance) Rules (Chapter 571AI of the Laws of Hong Kong);
- payment of annual fees and submission of annual returns to the HKSFC within one month after each anniversary date of the license; and

- implementation of appropriate policies and procedures relating to client acceptance, client due diligence, record keeping, identification, and reporting of suspicious transactions and staff screening, education, and training in accordance with the requirements under the Guideline on Anti-Money Laundering and Counter-Terrorist Financing issued by the HKSFC;

Obligation for substantial shareholders

A person shall, in relation to a corporation, be regarded as a substantial shareholder of the corporation if he, either alone or with any of his associates—

- (a) has an interest in shares in the corporation—
 - (i) the aggregate number of which shares is equal to more than 10% of the total number of issued shares of the corporation; or
 - (ii) which entitles the person, either alone or with any of his associates and either directly or indirectly, to exercise or control the exercise of more than 10% of the voting power at general meetings of the corporation; or
- (b) holds shares in any other corporation which entitles him, either alone or with any of his associates and either directly or indirectly, to exercise or control the exercise of 35% or more of the voting power at general meetings of the other corporation, or of a further corporation, which is itself entitled, either alone or with any of its associates and either directly or indirectly, to exercise or control the exercise of more than 10% of the voting power at general meetings of the corporation.

A person shall be regarded as being entitled to exercise or control the exercise of 35% or more of the voting power at general meetings of a corporation indirectly if he, either alone or with any of his associates, has an interest in shares in a further corporation which entitles him, either alone or with any of his associates, to exercise or control the exercise of 35% or more of the voting power at general meetings of the further corporation which is itself entitled, either alone or with any of its associates, to exercise or control the exercise of 35% or more of the voting power at general meetings of the first-mentioned corporation.

Under section 132 of the HKSFO, a person (including a corporation) has to apply for HKSFC's approval prior to becoming or continuing to be, as the case may be, a substantial shareholder of a corporation licensed under section 116 of the HKSFO. A person who has become aware that he has become a substantial shareholder of a licensed corporation without HKSFC's prior approval should, as soon as reasonably practicable and in any event within three business days after he becomes so aware, apply to the HKSFC for approval to continue to be a substantial shareholder of the licensed corporation.

An application to the HKSFC regarding the change of the substantial shareholder of NTAM to Future FinTech (Hong Kong) Limited was approved by the HKSFC on June 17, 2021.

Supervision by the HKSFC

HKSFC supervises licensed corporations and intermediaries operating in the market. HKSFC conducts on-site inspections and off-site monitoring to ascertain and supervise intermediaries' business conduct and compliance with relevant regulatory requirements and to assess and monitor the financial soundness of intermediaries.

Disciplinary Power of the HKSFC

Under Part IX of the HKSFO and subject to the due process for exercising disciplinary powers laid down in section 198 of the HKSFO, the HKSFC may exercise any of the following disciplinary actions against a regulated person (including a licensed person or a registered institution) if that person is found to be guilty of misconduct or the HKSFC is of the opinion that a regulated person is not fit and proper to be or remain the same type of regulated person (sections 194 and 196 of the HKSFO).

- revocation or suspension of a license or a registration;
- revocation or suspension of part of a license or registration in relation to any of the regulated activities for which a regulated person is licensed or registered;
- revocation or suspension of the approval granted to a responsible officer;
- public or private reprimand on a regulated person;
- prohibition of a regulated person from applying to be licensed or registered or to be approved as a responsible officer;
- prohibition of a regulated person from applying to be given consent to act or continue to act as an executive officer of a registered institution;
- prohibition of a regulated person from re-entry to be licensed or registered; and
- pecuniary penalty of not exceeding the amount of HK\$10 million or three times the amount of the profit gained or loss avoided as a result of the misconduct.

Hong Kong Regulations Relating to Securities and Futures Brokerage Providers FTFT Securities is a licensed corporation of the Securities and Futures Commission of Hong Kong (“SFC”) holding Type 1 (“Dealing in Securities”), Type 2 (“Dealing in Futures Contracts”), Type 4 (“Advising on Securities”) licenses. The Securities and Futures Ordinance (“SFO”), including its subsidiary legislation, is the principal legislation regulating the securities and futures industry in Hong Kong. In particular, Part V of the SFO deals with licensing and registration matters. The SFO is administered by SFC which is an independent statutory body in Hong Kong set up to regulate the securities and futures markets and the non-bank leveraged foreign exchange market in Hong Kong.

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

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

Intellectual Property Regulations in China

Domain Name

The MIIT promulgated the Measures on Administration of Internet Domain Names, or the Domain Name Measures, on August 24, 2017, which took effect on November 1, 2017. The MIIT is the major regulatory body responsible for the administration of PRC internet domain names, under supervision of which the China Internet Network Information Center, or CNNIC, is responsible for the daily administration of “.cn” domain names and Chinese domain names.

CNNIC adopts a “first-to-file” principle with respect to the registration of domain names. Applicants for registration of domain names must provide the true, accurate and complete information of their identities to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

Trademark

The Trademark Law of the PRC promulgated in August 2013 which took effect in May 2014 (the “Trademark Law”), and revised in 2019, and its implementation rules protect registered trademarks. The Trademark Office of National Intellectual Property Administration, PRC, formerly the PRC Trademark Office of the State Administration of Market Regulation is responsible for the registration and administration of trademarks throughout the PRC. The Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, such application for registration of this trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Copyright

In accordance with the Copyright Law of the PRC promulgated by the SCNPC on September 7, 1990, amended on February 26, 2010 and November 11, 2020, Chinese citizens, legal persons or other entities own the copyright in their works whether published or not, including written works, oral works, music, comedy, arts of talking and singing, dance and acrobatics, work of art and architecture work, photographic works, cinematographic work and work created by the method similar to the film production method; engineering design drawing, product design drawing, map, sketch and other graphic works and model works, computer software and other works specified by laws and administrative regulations. The rights a copyright owner has include but not limited to the following rights of the person and property rights: the right of publication, right of authorship, right of modification, right of integrity, right of reproduction, distribution right, rental right, right of network communication, translation right and right of compilation.

In accordance with the Regulations on the Protection of Computer Software promulgated by the State Council on December 20, 2001 and last amended on January 30, 2013, Chinese citizens, legal persons or other entities own the copyright, including the right of publication, right of authorship, right of modification, right of reproduction, distribution right, rental right, right of network communication, translation right and other rights software copyright owners shall have in software developed by them, regardless of whether it has been published.

In accordance with the Measures for the Registration of Computer Software Copyright promulgated by the National Copyright Administration on April 6, 1992 and last amended on February 20, 2002, software copyrights, exclusive licensing contracts for software copyrights and software copyright transfer contracts shall be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and designates the Copyright Protection Center of China as a software registration authority. The Copyright Protection Center of China shall grant a registration certification to a computer software copyright applicant who complies with regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years.

Intellectual Property

The Company currently has 36 registered Internet Domain names, including ftft.com, ftfx.com, ftfcapital.com, and alpahkint.com. All these Domain names are owned by the subsidiaries of the Company.

We have taken measures to protect the confidentiality of our proprietary technologies and intellectual property. We rely on a combination of know-how, trade secret laws, as well as confidentiality agreements to protect our proprietary

rights. We will take the necessary action to seek remuneration if we believe our intellectual property rights have been infringed upon.

Human Capital Resources

We understand that our success depends on our ability to attract, train and retain our employees. We strive to attract, recruit, and retain employees through competitive compensation and benefit programs, learning and development opportunities that support career growth and advancement opportunities, and employee engagement initiatives that foster a strong Company culture. In addition to cash compensation, we offer customary benefits in accordance with local regulatory requirements as well as performance-based stock awards to our employees. We also recognize the importance of keeping our employees safe. In response to the COVID-19 pandemic, we implemented changes that we determined were in the best interest of our employees and have followed local government orders to prevent the spread of COVID-19.

Employees

As of December 31, 2024, we had 36 full-time employees and 4 part-time employees, among which 31 are located in the PRC, 5 are located in Hong Kong. None of our employees are covered by a collective bargaining agreement as of the date of this Report. We consider our relationships with our employees to be good.

ITEM 1A – RISK FACTORS

Our business and an investment in our securities are subject to a variety of risks. The following risk factors describe the most significant events, facts or circumstances that could have a material adverse effect upon our business, financial condition, results of operations, ability to implement our business plan and the market price for our securities. Additional risks and uncertainties that presently are not considered material or are not known to us, and therefore are not mentioned herein, may impair our business operations. Many of these events are outside of our control. If any of these risks actually occurs, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

Risks Related to Our Business

We are involved, and may become involved in the future, in disputes and legal or regulatory proceedings that, could materially and adversely affect our business, financial condition and results of operations and cause the value of our securities to significantly decline or be worthless.

In January 2021, FT Global Capital, Inc. (“FT Global”), a former placement agent of Future FinTech Group Inc. (the “Company” or “Defendant”) filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia in January 2021, relating to alleged breaches of an exclusive placement agent agreement between FT Global and the Company in July 2020. The Company timely removed the case to the United States District Court for the Northern District of Georgia (the “Court”) on February 9, 2021 based on diversity of jurisdiction. On April 11, 2024, the Court entered a judgment awarding FT Global \$8,875,265.31 and on April 16, 2024, the Court issued an amended judgment, awarding FT Global \$10,598,379.93, which includes \$7,895,265.31 in damages, \$1,723,114.62 in prejudgment interest, and \$980,000.00 in attorney’s fees. On May 9, 2024, the Company filed a post-trial motion to set aside the jury verdict and for a new trial and the Court denied the motion on March 3, 2025. The Company filed notice of appeal to appeal the judgement to the United States Court of Appeals for the Eleventh Circuit on April 2, 2025.

FT Global has registered the Court’s judgment in the United States District Court for Southern District of New York (“NY Court”), where FT Global has brought a motion requiring the Company to turn over its stock in its subsidiary companies. The Company has filed an opposition to the motion, arguing that according to the New York statute the NY Court should first determine that the value of the stock in the subsidiary is insufficient to satisfy the judgment as

the Company believe the request for turnover is premature before a valuation hearing. On August 28, 2024, NY Court granted FT Global's motion for turnover of Defendant's shares in Defendant's wholly-owned subsidiaries as Defendant 1) failed to satisfy the \$10.8 million judgment rendered in the Northern District of Georgia and registered in the Southern District of New York, and 2) is in possession of money and property in which it has an interest. The NY Court ordered Defendant shall turn over the shares, membership, or limited partnership interests in all of its subsidiaries, and the corporate seals of its China and Hong Kong-based subsidiaries, to the U.S. Marshal for auction or sale until the judgment is satisfied. Pursuant to the order issued by the United States District Court for the Southern District of New York on August 28, 2024, the United States Marshal for the Southern District of New York ("U.S. Marshal") sold the securities of the subsidiaries of the Company other than those in Hong Kong and China in auction of: (i) all of the membership interests in Future Fintech Digital Capital Management LLC; (ii) all of the outstanding shares of FTFT UK Limited; (iii) the corporate seal of DigiPay FinTech Limited; (iv) the corporate seal of GlobalKey SharedMall Limited; (iv) all of the outstanding shares of Future Fintech Labs Inc.; and (v) all of the outstanding shares of Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 on December 18, 2024. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company ("FTFT SuperComputing") to DDMM Capital LLC (the "Buyer") for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii)\$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The Company has appealed the turnover order of the NY Court for the auction of securities of the subsidiaries of the Company in Hong Kong and China to the United States Court of Appeals for the Second Circuit and is waiting for the final decision of the Court of Appeals. On February 6, 2025, FT Global filed a motion ("Motion") in the NY Court, amended on February 12, 2025, seeking a turnover order for 39,825,939 unissued shares of the Company's common stock for sale to satisfy the judgement. The amended motion directs the requested relief not only at the Company but also at Transhare Corporation, the Company's Florida-based transfer agent. The Company believes the Motion lacks merit, as the issuance of unissued shares in this manner would violate corporate governance principles, Florida corporate law, and federal securities regulations. The Company has opposed the Motion, which is now fully briefed and awaits decision by the NY Court. The litigation against FT Global has been long and costly which has materially and adversely affect our business, financial condition and results of operations. If the NY Court grants the Motion, we will have to turn over for all the unissued shares of common stock of the Company and the existing shareholders will be significantly diluted and the value of our securities will significantly decline or become worthless.

From time to time, we may be a defendant in lawsuits and regulatory actions relating to our business. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse effect on our business, financial condition and results of operations. In addition, any significant litigation, regardless of its merits, could divert management's attention from our operations and may result in substantial legal costs. The Company has also been named in a putative securities class action case and a derivatives case described in Item 3 Legal Proceedings below. While the Company believes it has adequate defenses, the defense of those cases could become costly and could significantly divert management attention from its business.

An occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations and financial results.

In recent years, there have been outbreaks of epidemics in various countries. At the end of 2019, there was an outbreak of a novel strain of coronavirus (COVID-19), which has been spread rapidly to many parts of the world, including China, Hong Kong, UK and the U.S. In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic resulted in, among other things, quarantines, travel restrictions, and the temporary closure of office buildings and facilities in China, Hong Kong, UK and in the U.S.

A large part of our revenues are generated in China and Hong Kong. Consequently, our results of operations was adversely affected during the outbreak, especially between 2020 and 2022. There have been outbreaks of Omicron variant in various cities in China in 2022 which resulted quarantines, travel restrictions, and temporary closure of office buildings and facilities in these cities. In December 2022, the Chinese government eased its strict zero COVID-19 policy which resulted in a surge of new COVID-19 cases during December 2022 and January 2023, which has disrupted our business operations in China.

A widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. In addition, a recession or market correction resulting pandemic could materially negatively affect our business and the value of our common stock.

In general, our business could be adversely affected by the epidemics, including, but not limited to, COVID-19, avian influenza, severe acute respiratory syndrome (SARS), the influenza A virus, the Ebola virus, or other outbreaks. In response to an epidemic or other outbreaks, governments and other organizations may adopt regulations and policies that could lead to severe disruption to our daily operations, including temporary closure of our offices and other facilities. These severe conditions may cause us and/or our partners to make internal adjustments, including but not limited to, temporarily closing down business, limiting business hours, and setting restrictions on travel and/or visits with clients and partners for a prolonged period of time. Various impacts arising from severe conditions may cause business disruption, resulting in material, adverse effects to our financial condition and results of operations.

Economic conditions have had and may continue to have an adverse effect on our customers' spending on our products and services.

The worldwide economy remains volatile and may have entered in global recession. The adverse effect of a sustained international economic downturn, including sustained periods of decreased spending, high unemployment levels, declining consumer or business confidence and continued volatility and disruption in the credit and capital markets in China, would likely result in reduced demand for our products and services. To the extent an economic downturn develops, we could experience a reduction in sales volume. If we are unable to reduce our operating costs and expenses proportionately, many of which are fixed, our results of operations would be adversely affected.

The supply chain financing service industry is an emerging and rapidly evolving industry in China and we might not achieve the development as we expected.

The supply chain financing service industry in China is highly dynamic and rapidly evolving. Operating in this industry demands applying cutting-edge technologies to digitalize supply chain financing workflows and optimize payment cycles, which is an emerging and relatively new business model in China. In addition, we are facing uncertainties relating to the intensifying competition, inflation, general economy conditions and evolving regulatory environment in China's supply chain financing service industry. There have been limited proven methods to project available technology, regulatory and industry standards on which we can rely, and the slowdown of domestic industries of infrastructure, the delay, unexpected or adverse developments in this sector may adversely and materially affect our operational and financial performances. As market develops, regulatory environment and our business continue to develop, we may need to adjust our business model and continue to upgrade our products and service offerings, and if we fail to respond to and adapt to these developments promptly, or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

The supply chain financing service industry is increasingly competitive in China. If we fail to compete effectively, we may lose our customers and partners, which could materially and adversely affect our business, financial condition and results of operations.

The supply chain financing service industry in the PRC is increasingly competitive, and there is no guarantee that we will be able to compete effectively and implement our business strategies. We face intense competition primarily from third-party supply chain financing service providers. Some of these competitors may have established strong brand recognition, robust technological capabilities and significant financial resources or offer comparable technology solutions or own similar business scale to us. Intensifying competition may result in certain developments in this industry, such as downward competitive pressure on price, expansion by existing competitors, adoption by our competitors of innovative technology solutions or comparatively effective branding efforts, any of which may have a material adverse impact on our financial condition, results of operations and growth prospects. Increased investments made and lower prices or innovative services offered by our competitors may require us to divert significant

managerial, financial and human resources in order to remain competitive, and ultimately may place a greater pressure on us to maintain our market share and negatively impact the revenues growth and profitability of our business. Furthermore, our business is subject to rapid changes in the industries we operate in, such as the introduction of new business models, and the entry of new and well-funded competitors or industry disruptors. We may face even more intensified competition as a result of certain alliances, acquisitions or consolidations within the industries where we operate that result in emergence of stronger competitors. Existing and new competitors may leverage their established platforms or market positions, or introduce innovative business models, to launch products or services that may attract a large customer base and achieve rapid growth, which may materially and adversely affect our business and results of operations. If we are not able to compete effectively, the number of our customers and partners may decrease and our market share and profitability may be negatively affected, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brand.

Our supply chain finance business faces risks in receivables, timely supplies, credit evaluation and commodity price fluctuations all of which could materially and adversely affect our business, financial condition and results of operations.

Our supply chain finance business faces various risk in its operation, including (i) risk of failure to collect our receivables in time after the delivery of commodities; (ii) risk of unable to supply/deliver the commodity according to the contract requirements such as issues of quality and/or quantity of goods. If we fail to control such risk and strictly implement our new supplier and client evaluation standards as well as the background investigation for our risk control, we might not receive payment for the goods delivered or lose control of the title of the goods or breach contracts to supply goods according to their terms, which will materially and adversely affect our business, financial condition and results of operations. Also, if the market for commodities fluctuates sharply, our downstream customers might default on their purchase obligation and cause losses to us, especially when the market of infrastructure in China slows down.

The brokerage and investment banking service industry are intensely competitive in Hong Kong. If we are unable to compete effectively, we may lose business and our results of operations and financial condition may be materially and adversely affected.

The financial services industry, including the brokerage and investment banking services industry in Hong Kong, is intensely competitive, highly fragmented, and subject to rapid change, and we expect it to remain so. We compete mostly in Hong Kong, and on the basis of a number of factors, including the ability to adapt to evolving financial needs of a broad spectrum of clients, our ability to identify market demands and business opportunities to win client mandates, the quality of our advice, our employees and deal execution, the range and price of our products and services, our innovation, our reputation, and the strength of our relationships. We expect to continue to invest capital and resources in our businesses in order to grow and develop them to a size where they are able to compete effectively in their markets, have economies of scale, and are themselves able to produce or consolidate significant revenues and profit. We cannot assure you that the planned and anticipated growth of our brokerage and investment banking business will be achieved or in what timescale. There may be difficulties securing financing for investment for growth and in recruiting and retaining the skilled human resources required to compete effectively. If we fail to compete effectively against our competitors, our business, financial conditions, results of operations, and prospects will be materially and adversely affected.

As a provider of brokerage and investment banking business services for Hong Kong and Chinese investors on a global basis, our business generally requires us to react promptly to the evolving demand of our clients and be able to provide innovative financial solutions tailored to their needs. We may not be able to compete effectively with our competitors at all times and always be able to provide appropriate financial solutions that promptly and accurately address our clients' needs. If this were to happen, our ability to attract new or retain existing clients will suffer, which would materially and adversely affect our revenues and earnings.

We primarily compete with other providers of financial services to Asian investors. We may face pricing pressure as some of our competitors may seek to obtain higher market share by reducing fees and commissions. Some of our competitors include large global financial institutions or state-owned PRC financial institutions operating or headquartered in Hong Kong, many of which have longer operating histories, far broader financial and other resources, and significantly greater name recognition than us and have the ability to offer a wider range of products, which may enhance their competitive position. They also regularly support services we do not provide, such as commercial lending, margin lending and other financial services and products, which puts us at a competitive disadvantage and could result in pricing pressures or lost opportunities, which in turn could materially and adversely affect our results of operations. In addition, we may be at a competitive disadvantage with regard to some of our competitors that have larger customer bases and greater human resources.

We may engage in future acquisitions involving significant expenditures of cash, the incurrence of debt or the issuance of stock, all of which could have a materially adverse effect on our operating results.

As part of our business strategy, we review acquisition and strategic investment prospects that we believe would complement our current product and service offerings, augment our market coverage, enhance our technological capabilities or otherwise offer growth opportunities. From time to time, we review investments in new business and we expect to make investments in, and to acquire, business, products or technologies in the future. We have completed acquisitions of a money transfer company in UK and brokerage and investment banking firm in Hong Kong in 2023. In the event of any future acquisitions, we may expend significant costs and cash, incur substantial debt and/or issue equity securities and dilute the percentage ownership of current shareholders, all of which could have a material adverse effect on our operating results and the price of our stock. We cannot guarantee that we will be able to successfully integrate any business, products, technologies or personnel that we may acquire in the future, and our failure to do so could have a material adverse effect on our business, operating results and financial condition. For example, we had to sell NTAM as it was unable to generate net profit due to high labor cost and slow down of capital market in Hong Kong.

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

Our success depends, in part, on our ability to protect our proprietary technologies. The process of seeking intellectual property protection can be lengthy and expensive and we cannot guarantee that our existing or future intellectual property rights will be fully protected or bring us the commercial advantages. We also cannot guarantee that our current or potential competitors do not have, and will not obtain, intellectual property rights that will prevent, limit or interfere with our ability to use our technology or sell our products and services in the PRC or other countries.

The implementation and enforcement of PRC intellectual property laws historically have not been vigorous or consistent. Accordingly, intellectual property rights and confidentiality protections in the PRC are not as effective as those in the United States and other countries. We may need to resort to litigation to enforce or defend our rights or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation will require significant expenditures of cash and management efforts and could harm our business, financial condition and results of operations. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, competitive position, business prospects and reputation.

Intellectual property infringement claims may adversely impact our results of operations.

As we develop and introduce new products and services, we may be increasingly subject to claims of infringement of another party's intellectual property. If a claim for infringement is brought against us, such claim may require us to modify our products or services, cease selling certain products or engage in litigation to determine the validity and scope of such claims. Any of these events may harm our business and results of operations.

Our business depends on internet, our websites, network infrastructure and processing systems.

Our supply chain financing, and assets management and financial services depend upon the widespread use of the internet. Factors which could reduce the widespread use of the internet include, without limitation, actual or perceived lack of security of information or privacy protection, cyberattacks or other disruptions or damage to the internet or to users' computers, whatever the cause, could reduce customer satisfaction with our platforms and services and harm our business. Any system interruption that results in the unavailability of our websites, apps or reduced performance of our transaction and information systems could reduce our ability to conduct our business. We use internally and externally developed systems for our websites and our transaction and information processing systems. We expect to experience system interruptions due to software failure. Capacity constraints can cause system disruptions, slower response times, delayed page presentation, degradation in levels of customer service and other problems. We may also experience difficulties with our infrastructure upgrades. Any future difficulties with our transaction and information processing systems or difficulties upgrading, expanding or integrating aspects of our systems may cause system disruptions, slower response times, and degradation in levels of customer service, additional expense, impaired quality and speed of our services or other problems.

If the location where all of our computer and communications hardware is located is compromised, our business, prospects, financial condition and results of operations could be harmed. If we suffer an interruption or degradation of services at the location for any reason, our business could be harmed. Our success, and in particular, our ability to successfully receive and fulfil customers' requests and provide high-quality customer service, largely depends on the efficient and uninterrupted operation of our computer and communications systems. These limitations could have an adverse effect on our business. Our disaster recovery plan may be inadequate, and we do not carry business interruption insurance to compensate us for the losses that could occur. Despite our implementation of network security measures, our servers are vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, the occurrence of any of which could lead to interruptions, delays, loss of critical data or the inability to accept and fulfil customer requests. The occurrence of any of the foregoing risks could harm our business.

We are subject to cyber security risks and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.

Our supply chain financing, assets management and financial services are dependent on the secure operation of our website and systems as well as the operation of the internet generally. Our business involves the storage of customers' proprietary information, and security breaches could expose us to a risk of loss or misuse of this information, litigation, and potential liability. A number of large internet companies have suffered security breaches, some of which have involved intentional ransomware attacks. From time to time, we and many other internet businesses also may be subject to a denial of service attacks wherein attackers attempt to block customers' access to our website with ransomware. If we are unable to avert a denial of service attack for any significant period, we could sustain substantial loss from payment of ransom fee, lost sales and customer dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks.

Cyberattacks may target us, our customers, our suppliers, banks, payment processors, e-commerce in general or the communication infrastructure on which we depend. If an actual or perceived attack or breach of our security occurs, customer and/or supplier perception of the effectiveness of our security measures could be harmed and we could lose customers, vendors or both. Actual or anticipated attacks and risks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third party experts and consultants. A person who is able to circumvent our security measures might be able to misappropriate our or our customers' proprietary information, cause interruption in our operations, damage our computers or those of our customers, or otherwise damage our reputation and business. Any compromise of our security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, and a loss of confidence in our security measures, which could harm our business.

As a public company, we are obligated to maintain effective internal controls over financial reporting. Our internal controls may be determined not to be effective, which may adversely affect investor confidence in us and, as a result, decrease the value of our Common Stock.

The PRC has not adopted management and financial reporting concepts and practices similar to those in the United States. We have had difficulty in hiring and retaining a sufficient number of qualified financial and accounting employees who are familiar with US GAAP and reporting requirements to work in the PRC. As a result of these factors, we may experience difficulty in establishing and maintaining accounting and financial controls, collecting financial data, budgeting, managing our funds and preparing financial statements, books of account and corporate records and instituting business practices that meet investors' expectations in the United States.

Rules adopted by the SEC, or the Commission, pursuant to Sarbanes-Oxley Section 404 require annual assessment of our internal controls over financial reporting. The standards that must be met for management to assess the internal controls over financial reporting as effective are relatively new and complex, and they require significant documentation, testing and possible remediation to meet the detailed standards. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting as we have done previously and this year, we will be unable to assert that our internal controls are effective. We have concluded that our internal control over financial reporting is not effective. If we continue to be unable to conclude that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which could harm our business and cause the price of our stock to decline.

We may need additional capital to fund our future operations and, if it is not available when needed, we may need to reduce our planned development and marketing efforts, which may reduce our sales revenue.

We believe that our existing working capital and cash available from operations will enable us to meet our working capital requirements for at least the next twelve months. However, if cash from future operations is insufficient, or if cash is used for acquisitions or other currently unanticipated uses, we may need additional capital. The development and marketing of new products and services and the expansion of our business and associated support personnel require a significant commitment of resources. In addition, if the markets for our products and services develop more slowly than anticipated, or if we fail to establish significant market share and achieve sufficient net revenues, we may continue to consume significant amounts of capital. As a result, we could be required to raise additional capital. To the extent that we raise additional capital through the sale of equity or convertible debt securities or other methods, the issuance of such securities could result in dilution of the shares held by existing shareholders. If additional funds are raised through the issuance of debt securities, such securities may provide the holders certain rights, preferences, and privileges senior to those of common shareholders, and the terms of such debt could impose restrictions on our operations. We cannot guarantee that additional capital, if required, will be available on acceptable terms, or at all. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned business development and marketing efforts, which could harm our business, financial condition and operating results.

If our costs and demands upon management increase disproportionately to the growth of our business and revenue as a result of complying with the laws and regulations affecting public companies, our operating results could be harmed.

As a public company, we do and will continue to incur significant legal, accounting, investor relations and other expenses, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with current corporate governance requirements, including requirements under Section 404 and other provisions of Sarbanes-Oxley, as well as rules implemented by the SEC and the stock exchange on which our common stock is traded. The expenses incurred by public companies for reporting and corporate governance purposes have increased dramatically over the past several years. These rules and regulations have increased our legal and financial compliance costs substantially and make some activities more time consuming and costly. If our costs and

demands upon management increase disproportionately to the growth of our business and revenue, our operating results could be harmed.

There are inherent uncertainties involved in estimates, judgments and assumptions used in the preparation of financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Any changes in estimates, judgments and assumptions could have a material adverse effect on our business, financial condition and operating results.

The preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) involves making estimates, judgments and assumptions that affect reported amounts of assets (including intangible assets), liabilities and related reserves, revenue, expenses and income. Estimates, judgments and assumptions are inherently subject to change in the future, and any such changes could result in corresponding changes to the amounts of assets, liabilities, revenue, expenses and income. Any such changes could have a material adverse effect on our business, financial condition and operating results.

Risks Related to Doing Business in the PRC

Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and results of operations.

A substantial of the Company’s operations are located in the PRC. Accordingly, the Company’s business, financial condition, and results of operations may be influenced by the political, economic, and legal environments in the PRC, in addition to the general state of the PRC economy. The Company’s results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, cybersecurity, anti-monopoly, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things, and such change of rules and policies can happen quickly with little advance notice.

A substantial of the Company’s sales, purchases and expense transactions are in RMB. The RMB is not freely convertible into foreign currencies under the current law. In China, foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People’s Bank of China, the central bank of China. Remittances in currencies other than RMB may require certain supporting documentation in order to affect the remittance.

The Chinese economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China’s economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over blockchain related financial technology, capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including more regulations on U.S. listed Chinese companies and control the pace of economic growth. These measures may cause decreased economic activity in China, and since COVID-19, China’s economic growth

has slowed down. The prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

Furthermore, we and our China based operating entities, as well as our investors, face uncertainty about future actions by the Chinese government that could significantly affect our financial performance and operations. Failure to take timely and appropriate measures to adapt to any of these or similar regulatory compliance challenges could materially and adversely affect our business operations.

If we become subject to additional scrutiny, criticism and negative publicity involving U.S.-listed China-based companies, we may have to expend significant resources to investigate and resolve the matter which could harm our business operations, any offering and our reputation and could result in a loss of your investment in our shares, especially if such matter cannot be addressed and resolved favorably.

Recently, U.S. public companies that have substantially operations in China have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies. Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in some cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stock of many U.S.-listed China-based companies has decreased in value and, in some cases, has become virtually worthless. Many of these companies have been subject to shareholder lawsuits and SEC enforcement actions and have conducted internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on us and our business. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend our company. This situation may be a major distraction to our management. If such allegations are not proven to be groundless, our business operations will be severely hindered and your investment in our shares could be rendered worthless.

Uncertainties and quick change in the interpretation and enforcement of Chinese laws and regulations with little advance notice could result in a material and negative impact our business operations, decrease the value of our shares of common stock and limit the legal protections available to us.

The PRC legal system is based on written statutes, and prior court decisions have limited value as precedents. Since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties. The enforcement of laws and that rules and regulations in China can change quickly with little advance notice and the risk that the Chinese government may intervene or influence our operations at any time, or may exert more control over offerings conducted overseas and/or foreign investment in China-based issuers, could result in a material change in our operations and/or the value of our shares of common stock.

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued an announcement to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. Since this announcement is relatively new, uncertainties still exist in relation to how soon legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on companies like us and our shares of common stock.

On February 15, 2022, Cybersecurity Review Measures published by Cyberspace Administration of China, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People's Bank of China, State

Administration of Radio and Television, China Securities Regulatory Commission, State Secrecy Administration and State Cryptography Administration became effective, which provides that, Critical Information Infrastructure Operators (“CIIOs”) that purchase internet products and services and Online Platform Operators engaging in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office. As confirmed by our PRC counsel Fengdong Law Firm, we are currently not subject to cybersecurity review with the Cyberspace Administration of China (“CAC”) under these new measures, because E-Commerce Tianjin is not a cyberspace operator with personal information of more than 1 million users or has activities that affect or may affect national security. Nevertheless, the aforementioned draft measures and any related implementation rules to be enacted may subject us to additional compliance requirement in the future.

We cannot rule out the possibility that the PRC government will institute a licensing regime or pre-approval requirement covering our industry at some point in the future. If such a licensing regime or approval requirement were introduced, we cannot assure you that we would be able to obtain any newly required license in a timely manner, or at all, which could materially and adversely affect our business and impede our ability to continue our operations.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, however, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy in the PRC legal system than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainties over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

The Chinese government exerts substantial influence over the manner in which we must conduct our business as well as more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, and may intervene or influence our operations at any time, which could result in a material change in our operations, and significantly limit or completely hinder our ability to offer or continue to offer securities to investors and, and cause the value of our shares of common stock to significantly decline or be worthless.

The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, environmental regulations, land use rights, property and other matters. The central or local governments of these jurisdictions may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. Accordingly, government actions in the future, including any decision not to continue to support recent economic reforms and to return to a more centrally planned economy or regional or local variations in the implementation of economic policies, could have a significant effect on economic conditions in China or particular regions thereof, and could require us to divest ourselves of any interest we then hold in Chinese properties.

As such, our business is subject to various government and regulatory interferences. We could be subject to regulation by various political and regulatory entities, including various local and municipal agencies and government subdivisions. The Company may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. Our operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to its business or industry, which could result in a material change in our operation and the value of our shares of common stock.

On February 17, 2023, the CSRC released New Overseas Listing Rules with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings

with CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules.

On February 24, 2023, the CSRC revised the Provisions on Strengthening the Management of Confidentiality and Archives Related to the Overseas Issuance of Securities and Overseas Listing by Domestic Companies which were issued in 2009 (the “Archives Rules”). The revised Archives Rules took effect on March 31, 2023. The revised Archives Rules expands their application to cover indirect overseas offering and listing, stipulating that a domestic company which plans to publicly disclose any documents and materials containing state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level.

Furthermore, given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas, although we are currently not required to obtain permission from any of the PRC central or local government and has not received any denial to list on the U.S. exchange, it is uncertain when and whether we will be required to obtain permission from the PRC government to list on U.S. exchanges in the future, and even when such permission is obtained, whether it will be denied or rescinded, which could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our shares to significantly decline or be worthless.

There are uncertainties under the PRC Securities Law relating to the procedures and requisite timing for the U.S. securities regulatory agencies to conduct investigations and collect evidence within the territory of the PRC.

On December 28, 2019, the amended Securities Law of the PRC (the “PRC Securities Law”) was promulgated, which became effective on March 1, 2020. According to Article 177 of the PRC Securities Law (“Article 177”), the securities regulatory authority of the State Council may establish a regulatory cooperation mechanism with securities regulatory authorities of another country or region for the implementation of cross-border supervision and administration. Article 177 further provides that overseas securities regulatory authorities shall not engage in activities pertaining to investigations or evidence collection directly conducted within the territories of the PRC, and that no Chinese entities or individuals shall provide documents and information in connection with securities business activities to any organizations and/or persons abroad without the prior consent of the securities regulatory authority of the State Council and the competent departments of the State Council.

As advised by our PRC counsel Fengdong Law Firm, Article 177 is only applicable where the activities of overseas authorities constitute a direct investigation or evidence collection by such authorities within the territory of the PRC.

A substantial of our business operation is conducted in the PRC. In the event that the U.S. securities regulatory agencies carry out an investigation on us such as an enforcement action by the Department of Justice, the SEC or other authorities, such agencies' activities will constitute conducting an investigation or collecting evidence directly within the territory of the PRC and accordingly fall within the scope of Article 177. In that case, the U.S. securities regulatory agencies may have to consider establishing cross-border cooperation with the securities regulatory authority of the PRC by way of judicial assistance, diplomatic channels or establishing a regulatory cooperation mechanism with the securities regulatory authority of the PRC. However, there is no assurance that the U.S. securities regulatory agencies will succeed in establishing such cross-border cooperation in this particular case and/or establish such cooperation in a timely manner.

Furthermore, as Article 177 is still a recently promulgated provision and, as the date of this report, there have not been implementing rules or regulations regarding the application of Article 177, it remains unclear as to how it will be interpreted, implemented or applied by the Chinese Securities Regulatory Commission or other relevant government authorities. As such, there are uncertainties as to the procedures and requisite timing for the U.S. securities regulatory agencies to conduct investigations and collect evidence within the territory of the PRC. If the U.S. securities regulatory agencies are unable to conduct such investigations, there exists a risk that they may determine to suspend or de-register our registration with the SEC and may also delist our securities from Nasdaq or other applicable trading market within the U.S.

Under the PRC Enterprise Income Tax Law, we may be classified as a PRC “resident enterprise” for PRC enterprise income tax purposes. Such classification would likely result in unfavorable tax consequences to us and our non-PRC shareholders and have a material adverse effect on our results of operations and the value of your investment.

Under the PRC Enterprise Income Tax Law, or the “EIT Law,” that became effective in January 2008, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a “resident enterprise” for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the EIT Law, a “de facto management body” is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances, and properties of an enterprise. In addition, a circular, known as SAT Circular 82, issued in April 2009 by the State Administration of Taxation, or the “SAT,” specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision making bodies; key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings; and half or more of the senior management or directors having voting rights. Further to SAT Circular 82, the SAT issued a bulletin, known as SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of SAT Circular 82 and clarify the reporting and filing obligations of such “Chinese-controlled offshore incorporated resident enterprises.” SAT Bulletin 45 provides procedures and administrative details for the determination of resident status and administration on post-determination matters. Although both SAT Circular 82 and SAT Bulletin 45 only apply to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign individuals, the determining criteria set forth in SAT Circular 82 and SAT Bulletin 45 may reflect the SAT's general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, PRC enterprise groups, or by PRC or foreign individuals.

If the PRC tax authorities determine that the actual management organ of Future FinTech Group Inc. is within the territory of China, it may be deemed to be a PRC resident enterprise for PRC enterprise income tax purposes and a number of unfavorable PRC tax consequences could follow. First, we will be subject to the uniform 25% enterprise income tax on our world-wide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Finally, dividends payable by us to our investors and gains on the sale of our shares may become subject to PRC withholding tax, at a rate of 10% in the case of non-PRC

enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our shares. Although up to the date of this report, Future FinTech Group Inc. has not been notified or informed by the PRC tax authorities that it has been deemed to be a resident enterprise for the purpose of the EIT Law, we cannot assure you that it will not be deemed to be a resident enterprise in the future.

We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets.

We are a holding company incorporated in the State of Florida and do not have any assets or conduct any business operations other than our investments in our subsidiaries and affiliates. As a result of our holding company structure, we rely entirely on dividend payments from our subsidiaries. PRC accounting standards and regulations currently permit payment of dividends only out of accumulated profits, a portion of which is required to be set aside for certain reserve funds. Furthermore, if our subsidiaries in China incur debt on its own in the future, the instruments governing the debt may restrict its ability to pay dividends or make other payments. Although we do not intend to pay dividends in the future, our inability to receive all of the profit from our China subsidiaries' operations may provide an additional obstacle to our ability to pay dividends if we so decide in the future. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and/or assets.

Governmental control of currency conversion may affect the value of shareholder investments.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. RMB is currently not a freely convertible currency. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to satisfy foreign currency obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from the transaction, can be made in foreign currencies without prior approval by complying with certain procedural requirements. Approval from appropriate governmental authorities, however, is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. In addition, the PRC government could restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay certain of our expenses as they come due.

The fluctuation of the RMB may harm shareholder investments.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. Any significant revaluation of the RMB may materially and adversely affect our cash flows, revenue and financial condition. For example, to the extent that we need to convert U.S. dollars we receive from an offering of our securities into RMB for our operations in China, appreciation of the RMB against the U.S. dollar would diminish the value of the proceeds of the offering and could harm our business, financial condition and results of operations. Conversely, if we decide to convert our RMB into U.S. dollars for business purposes and the U.S. dollar appreciates against the RMB, the U.S. dollar equivalent of the RMB we convert would be reduced. In addition, the depreciation of significant U.S. dollar denominated assets could result in a charge to our income statement and a reduction in the value of these assets.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiary's ability to increase its registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

The State Administration of Foreign Exchange or SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name, and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. SAFE Circular 37 is issued to replace the Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments via Overseas Special Purpose Vehicles, or SAFE Circular 75. SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment in February 2015, which took effect on June 1, 2015. This notice has amended SAFE Circular 37 requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

If our shareholders who are PRC residents or entities do not complete their registration as required, our PRC subsidiaries may be prohibited from distributing its profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries.

The failure or inability of the relevant shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, such as restrictions on our cross-border investment activities, on the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

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

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, replacing earlier rules promulgated in March 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who have resided in the PRC for a continuous period of not less than one year will be subject to these regulations. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary and limit our PRC subsidiary's ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

Because our principal assets are located outside of the United States, it may be difficult for investors to use U.S. securities laws to enforce their rights against us, our officers and directors in the United States or to enforce judgments of United States courts against us or them in the PRC.

All of our present officers and directors reside outside of the United States, other than Mingjie Zhao. In addition, all of our subsidiaries and assets are located outside of the United States. Therefore, it may be difficult for investors in the United States to enforce their legal rights based on the civil liability provisions of the U.S. securities laws against us in the courts of either the United States or the Hong Kong/PRC and, even if civil judgments are obtained in courts of the United States, to enforce such judgments in the PRC or Hong Kong courts. Further, it is unclear if extradition treaties now in effect between the United States, Hong Kong and the PRC would permit effective enforcement against us or our officers and directors of criminal penalties under the U.S. Federal securities laws or otherwise.

It may also be difficult for you or overseas regulators to conduct investigations or collect evidence within China. For example, in China, there are significant legal and other obstacles to obtaining information needed for shareholder investigations or litigation outside China or otherwise with respect to foreign entities. Although the authorities in China may establish a regulatory cooperation mechanism with its counterparts of another country or region to monitor and oversee cross-border securities activities, such regulatory cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or “Article 177,” which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Article 177 further provides that Chinese entities and individuals are not allowed to provide documents or materials related to securities business activities to foreign agencies without prior consent from the securities regulatory authority of the PRC State Council and the competent departments of the PRC State Council. While detailed interpretation of or implementing rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.

The filing with the China Securities Regulatory Commission (“CSRC”) is required in connection with any offering under New Overseas Listing Rules, and we cannot assure you that we will be able to timely make such filing, in which case we may face sanctions by the CSRC or other PRC regulatory agencies for failure to timely file with the CSRC for this offering.

On February 17, 2023, the CSRC released the New Overseas Listing Rules, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with relevant CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. Our PRC counsel has advised us based on their understanding of the current PRC laws, rules and regulations relating to the CSRC’s filing requirements, we are required to carry out filing procedures as required if we conduct any overseas offerings or offerings within other circumstances under rules with the CSRC. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. Given the current PRC regulatory environment, it is uncertain when and whether we and our PRC subsidiaries will be required to obtain other permissions or approvals from the PRC government to list on U.S. exchanges in the future, and even if and when such permissions or approvals are obtained,

whether they will be denied or rescinded. If we or any of our PRC subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we or our subsidiaries are required to obtain such permissions or approvals in the future, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless.

The Holding Foreign Companies Accountable Act, or the HFCA Act, and the related regulations are evolving quickly. Further implementations and interpretations of or amendments to the HFCA Act or the related regulations, or a PCAOB's determination of its lack of sufficient access to inspect our auditor, might pose regulatory risks to and impose restrictions on us because of our operations in mainland China and Hong Kong. A potential consequence is that our shares of common stock may be delisted by the exchange. The delisting of our common stock, or the threat of our common stock being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct full inspections of our auditor deprives our investors of the benefits of such inspections.

The Holding Foreign Companies Accountable Act, or the HFCA Act, was enacted on December 18, 2020. In accordance with the HFCA Act, trading in securities of any registrant on a national securities exchange or in the over-the-counter trading market in the United States may be prohibited if the PCAOB determines that it cannot inspect or fully investigate the registrant's auditor for three consecutive years beginning in 2021, and, as a result, an exchange may determine to delist the securities of such registrant. On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which, would amend the HFCA Act and require the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three, thus reducing the time period before our securities may be prohibited from trading or delisted if our auditor is unable to meet the PCAOB inspection requirement. On December 29, 2022, a legislation entitled "Consolidated Appropriations Act, 2023" (the "Consolidated Appropriations Act"), was signed into law by President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to Accelerating Holding Foreign Companies Accountable Act, which reduces the number of consecutive non-inspection years required for triggering the prohibitions under the HFCA Act from three years to two.

On November 5, 2021, the SEC adopted the PCAOB rule to implement HFCA Act, which provides a framework for the PCAOB to determine whether it is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction.

On December 2, 2021, SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act. The rules apply to registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate (the "Commission-Identified Issuers"). A Commission-Identified Issuer will be required to comply with the submission and disclosure requirements in the annual report for each year in which it was identified. If a registrant is identified as a Commission-Identified Issuer based on its annual report for the fiscal year ended December 31, 2021, the registrant will be required to comply with the submission or disclosure requirements in its annual report filing covering the fiscal year ended December 31, 2022.

On December 16, 2021, the PCAOB issued its determinations (the "Determination") that they are unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong. The Determination includes lists of public accounting firms headquartered in mainland China and Hong Kong that the PCAOB is unable to inspect or investigate completely.

On August 26, 2022, the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission and the Ministry of Finance of the People's Republic of China governing inspections and investigations of audit firms based in China and Hong Kong. On December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities

obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB Board will consider the need to issue a new determination.

The enactment of the HFCA Act and related regulations and any additional actions, proceedings, or new rules resulting from these efforts to increase U.S. regulatory access to audit information could cause investors uncertainty for affected issuers and the market price of our ordinary shares could be adversely affected, and we could be delisted if our auditor is unable to meet the PCAOB inspection requirement.

The lack of access to PCAOB inspections prevents the PCAOB from fully evaluating audits and quality control procedures of the auditors based in China and Hong Kong. As a result, investors may be deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China and Hong Kong makes it more difficult to evaluate the effectiveness of these accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections.

Our auditor, Fortune CPA Inc., an independent registered public accounting firm that is headquartered in California, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts inspections to assess its compliance with the applicable professional standards. Our auditor is currently subject to PCAOB inspections and is not included in the PCAOB Determinations. Although we believe that the Holding Foreign Companies Accountable Act and the related regulations do not currently affect us, we cannot assure you that there will not be any further implementations and interpretations of or amendments to the Holding Foreign Companies Accountable Act or the related regulations, which might pose regulatory risks to and impose restrictions on us because of our operations in China and Hong Kong. A potential consequence is that our shares may be delisted by the exchange on which they are listed. If our securities are unable to be listed on another securities exchange, such a delisting would substantially impair your ability to sell or purchase our securities when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the market price of our shares.

Risks Related to Our Common Stock

We are authorized to issue blank check preferred stock, which may be issued without shareholder approval and which may adversely affect the rights of holders of our Common Stock.

We are authorized to issue 10,000,000 shares of preferred stock. The Board is authorized under our articles of incorporation, as amended, to provide for the issuance of shares of preferred stock by resolution and by filing a certificate of designations under Florida law, to fix the designation, powers, preferences and rights of the shares of each such series of preferred stock and the qualifications, limitations or restrictions thereof without any further vote or action by the shareholders. As of December 31, 2023, there were no shares of preferred stock issued and outstanding. Any shares of preferred stock that are issued are likely to have priority over our Common Stock with respect to dividend or liquidation rights. In the event of issuance, the preferred stock could be utilized under certain circumstances as a method of discouraging, delaying or preventing a change in control, which could have the effect of discouraging bids to acquire us and thereby prevent shareholders from receiving the maximum value for their shares. We have no present intention to issue any shares of preferred stock in order to discourage or delay a change of control or for any other reason. However, there can be no assurance that preferred stock will not be issued at some time in the future.

Zeyao Xue has control over key decision making as a result of his control of a substantial amount of our voting stock.

Mr. Zeyao Xue, indirectly and directly beneficially owns 385,287 shares, or approximately 12.6%, of our outstanding common stock as of April 11, 2025. Mr. Zeyao Xue's beneficial ownership of 12.6% of Future FinTech's issued and outstanding common stock will likely give him the ability to control the outcome of matters submitted to shareholders for approval, including but not limited to the election of directors and any merger, consolidation, or sale of all or

substantially all of the Company's assets. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of the Company's assets that other shareholders support, or conversely this concentrated control could result in the consummation of such a transaction that other shareholders do not support. This concentrated control could also discourage a potential investor from acquiring the common stock of the Company due to the limited voting power of such shares. As a shareholder, even a controlling shareholder, Mr. Zeyao Xue is entitled to vote his shares, and shares over which he has voting control, in his own interests, which may not always be in the interests of our shareholders generally.

Anti-takeover provisions in our charter documents and under Florida law could discourage, delay or prevent a change in control of our Company and may affect the trading price of our Common Stock.

As a Florida corporation, we are subject to certain provisions of the Florida Business Corporation Act that have anti-takeover effects and may inhibit a non-negotiated merger or other business combination. Our Articles of Incorporation and Bylaws also contain other provisions which could have anti-takeover effects. These provisions include, without limitation, the authority of our Board of Directors to issue additional shares of preferred stock and to fix the relative rights and preferences of the preferred stock without the need for any shareholder vote or approval, as discussed above, and advance notice procedures to be complied with by our shareholders in order to make shareholder proposals or nominate directors, such as:

- authorize the issuance of “blank check” preferred stock that could be issued by the Board to thwart a takeover attempt;
- require that directors only be removed from office upon a majority shareholder vote;
- provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- limit who may call special meetings of shareholders; and

For more information regarding these and other provisions, see the exhibit titled “*Description of Our Securities — Anti-Takeover Effects of Certain Provisions of Florida Law.*”

In recent years, our Common Stock has been in danger of being delisted from the NASDAQ Stock Market (“NASDAQ”).

Our common stock is currently listed on the Nasdaq Capital Market. The NASDAQ Stock Market LLC has requirements that a company must meet in order to remain listed on NASDAQ, for example, NASDAQ rules require us to maintain a minimum bid price of \$1.00 per share of our common stock. We may be unable to meet NASDAQ listing requirements, including minimum bid price, minimum levels of stockholders' equity or market values of our common stock in which case, our common stock could be delisted. If our common stock were to be delisted, the liquidity of our common stock would be materially adversely affected and the market price of our common stock could decrease.

On May 13, 2024, the Company received a letter from the Nasdaq Stock Market (“Nasdaq”) notifying the Company that, because the closing bid price for the Company's common stock listed on Nasdaq was below \$1.00 for 30 consecutive trading days, the Company no longer meets the minimum bid price requirement for continued listing on Nasdaq under Nasdaq Marketplace Rule 5550(a)(2), which requires a minimum bid price of \$1.00 per share (the “Minimum Bid Price Requirement”). The Company has a period of 180 calendar days from the date of notification, until November 11, 2024 (the “Compliance Period”), to regain compliance with the Minimum Bid Price Requirement. On November 12, 2024, the Company received a written notification from the NASDAQ Stock Market Listing Qualifications Staff (the “Staff”) indicating that the Company has been granted an additional 180 calendar day period or until May 12, 2025, to regain compliance with the \$1.00 minimum closing bid price requirement for continued

listing on the NASDAQ Capital Market pursuant to NASDAQ Listing Rule. On April 1, 2025, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment, the Company has authorized and approved a 1-for-10 reverse stock split of the Company's authorized shares of common stock from 60,000,000 shares to 6,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock (the "2025 Reverse Stock Split"). The common stock will continue to be \$0.001 par value. The Company's shares of common stock began to trade on the NASDAQ Stock Market on the post-Reverse Stock Split basis under the symbol "FTFT" on April 4, 2025.

ITEM 1B – UNRESOLVED STAFF COMMENTS

Not applicable.

Item 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We face various cyber risks, including, but not limited to, risks related to unauthorized access, misuse, data theft, computer viruses, system disruptions, ransomware, malicious software and other intrusions. We utilize a multilayered, proactive approach, as part of our overall risk mitigation strategy, to identify, evaluate, mitigate and prevent potential cyber and information security threats through our cybersecurity risk management efforts. We have an IT manager who is responsible for the identification, evaluation, and management of cybersecurity risks and controls. Our IT manager has related experience including: (i) network architecture design and planning: working on overall design and planning of network architecture, selection of related equipment and software, and its implementation; (ii) information security architecture design and planning: assisting the development of information security strategy, technical architecture and management system plan, design, and implementation; (iii) daily maintenance, emergency response support, maintenance report preparation, major IT project support, etc. and (iv) provide support for the operation and maintenance of various IT infrastructure, and ensure the stability of the company's IT infrastructure. To oversee and identify risks from cybersecurity threats associated with our use of third-party service providers, we maintain third-party risk management efforts designed to help protect against the misuse of information technology and security breaches, including requirements in the agreements with such third parties.

We have not, to date, identified any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of our operations, or financial condition.

Cybersecurity Governance and Oversight

Management is responsible for the cybersecurity risk management program as well as actions to identify, assess, mitigate, and remediate material issues. The Company's cybersecurity risk management program is supervised by our IT manager, who reports directly to the Company's Chief Executive Officer. The IT manager and his team are responsible for leading cybersecurity strategy, policy, standards, architecture and processes.

The Audit Committee of the Board of Directors is charged with oversight of cybersecurity matters and receives reports from the IT manager and Chief Executive Officer on, among other things, the Company's cyber risks and threats, the status of projects to strengthen the Company's information security systems, and the emerging threat landscape. In accordance with our Cyber Incident Response Plan, the Audit Committee will be promptly informed by management of cybersecurity incidents with the potential to materially adversely affect the Company or its information systems and is regularly updated about incidents with lesser impact potential. At least annually, the Board reviews and discusses the Company's technology strategy in combination with the Company's strategic objectives with executive management.

In an effort to detect and defend against cyber threats, the Company plans to provide its employees with various cybersecurity and data protection training programs which will cover timely and relevant topics, including social engineering, phishing, password protection, confidential data protection, asset use and mobile security, and educate employees on the importance of reporting all incidents promptly.

ITEM 2 – PROPERTIES

Our principal executive office is located at Americas Tower, 1177 Avenue of The Americas, Suite 5100, New York, NY 10036 and we lease the office for a term of one year from December 1, 2020, which has been renewed until December 1, 2025. We also lease offices at Room 603A, Tower A, Oriental Media Center, No.4, Guanghua Rd, Chaoyang District, Beijing, China for a term from September 26, 2024 to September 25, 2026; FTFT International Securities and Futures Limited leases an office at 02B-03A Floor 23, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong from May 7, 2024 to May 6, 2027. Our Xi'an office is at 12 floor, Hang Tou Cai Fu Building, Hang Tian Zhong Road, Changan District, Xi'an, China from January 1, 2025 to December 31, 2026.

ITEM 3 – LEGAL PROCEEDINGS

Legal case with FT Global Capital, Inc.

In January 2021, FT Global Capital, Inc. ("FT Global"), a former placement agent of the Company filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia. FT Global served the complaint upon the Company in January 2021. In the complaint, FT Global alleges claims, most of which attempt to hold the Company liable under legal theories that relate back to an alleged breach of an exclusive placement agent agreement between FT Global and the Company in July 2020 which had a term of three months. FT Global claims that the Company failed to compensate FT Global for securities purchase transactions between December 2020 and April 2021, pursuant to the terms of the expired exclusive placement agent agreement. Allegedly, the exclusive placement agent agreement required the Company to pay FT Global for capital received during the term of the agreement and for the 12-month period following the termination of the agreement involving any investors that FT Global introduced and/or wall-crossed to the Company. However, the Company believes the securities purchase transactions at issue did not involve the one investor which FT Global introduced or wall-crossed to the Company during the term of the agreement. FT Global claims approximately \$7,000,000 in damages and attorneys' fees.

The Company timely removed the case to the United States District Court for the Northern District of Georgia (the "Court") on February 9, 2021 based on diversity of jurisdiction. On March 9, 2021, the Company filed a motion to dismiss based on FT Global's failure to state a claim which is pending before the Court. On November 10, 2021, the Court entered an Order granting the Company's motion to dismiss FT Global's fraud claim and breach of contract claim as to the disclosure of its confidential and proprietary information. The Court denied the Company's motion to dismiss FT Global's i) breach of contract claim for failure to pay FT Global pursuant to the terms of the exclusive placement agent agreement; ii) claim for breach of the covenant of good faith and fair dealing; and iii) claim for attorney's fees, and the court concluded that additional information can be obtained through discovery. On October 12, 2022, the Company filed a motion for summary judgment on all claims asserted by FT Global in this lawsuit. On November 2, 2022, FT Global filed its opposition to the Company's motion for summary judgment. On November 16, 2022, the Company filed its reply in support of its motion for summary judgment on all claims asserted by FT Global in this lawsuit. On August 31, 2023, the Court entered an Order denying the Company's motion for summary judgment. The trial began on April 8, 2024 and ended on April 11, 2024, on which date the jury returned a verdict in favor of FT Global. On April 11, 2024, the Court entered a judgment awarding FT Global \$8,875,265.31 and on April 16, 2024, the Court issued an amended judgment, awarding FT Global \$10,598,379.93, which includes \$7,895,265.31 in damages, \$1,723,114.62 in prejudgment interest, and \$980,000.00 in attorney's fees. On May 9, 2024, the Company filed a post-trial motion to set aside the jury verdict and for a new trial and the Court denied the motion on March 3, 2025. The Company filed notice of appeal to appeal the judgement to the United States Court of Appeals for the Eleventh Circuit on April 2, 2025 and the Company will continue to vigorously defend the action against FT Global.

FT Global has registered the Court's judgment in the United States District Court for Southern District of New York ("NY Court"), where FT Global has brought a motion requiring the Company to turn over its stock in its subsidiary companies. The Company has filed an opposition to the motion, arguing that according to the New York statute the NY Court should first determine that the value of the stock in the subsidiary is insufficient to satisfy the judgment as the Company believe the request for turnover is premature before a valuation hearing. On August 28, 2024, NY Court granted FT Global's motion for turnover of Defendant's shares in Defendant's wholly-owned subsidiaries as Defendant 1) failed to satisfy the \$10.8 million judgment rendered in the Northern District of Georgia and registered in the Southern District of New York, and 2) is in possession of money and property in which it has an interest. The NY Court ordered Defendant shall turn over the shares, membership, or limited partnership interests in all of its subsidiaries, and the corporate seals of its China and Hong Kong-based subsidiaries, to the U.S. Marshal for auction or sale until the judgment is satisfied. Pursuant to the order issued by the United States District Court for the Southern District of New York on August 28, 2024, the United States Marshal for the Southern District of New York ("U.S. Marshal") sold the securities of the subsidiaries of the Company other than those in Hong Kong and China in auction of: (i) all of the membership interests in Future Fintech Digital Capital Management LLC; (ii) all of the outstanding shares of FTFT UK Limited; (iii) the corporate seal of DigiPay FinTech Limited; (iv) the corporate seal of GlobalKey SharedMall Limited; (iv) all of the outstanding shares of Future Fintech Labs Inc.; and (v) all of the outstanding shares of Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 on December 18, 2024. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company ("FTFT SuperComputing") to DDMM Capital LLC (the "Buyer") for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii) \$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The Company has appealed the turnover order of the NY Court for the auction of securities of the subsidiaries of the Company in Hong Kong and China to the United States Court of Appeals for the Second Circuit and is waiting for the final decision of the Court of Appeals. On February 6, 2025, FT Global filed a motion ("Motion") in the NY Court, amended on February 12, 2025, seeking a turnover order for 39,825,939 (before 1 for 10 reverse split) unissued shares of the Company's common stock for sale to satisfy the judgement. The amended motion directs the requested relief not only at the Company but also at Transhare Corporation, the Company's Florida-based transfer agent. The Company believes the Motion lacks merit, as the issuance of unissued shares in this manner would violate corporate governance principles, Florida corporate law, and federal securities regulations. The Company has opposed the Motion, which is now fully briefed and awaits decision by the NY Court.

Shareholders Lawsuit (LaBelle and Janzen)

The LaBelle case is a putative securities class action filed in January 2024 and is pending in the District of New Jersey. Denise LaBelle ("Plaintiff") alleges that the Company and certain of its officers violated Sections 10(b) and 20(a) of the Securities Exchange Act by making materially false or misleading statements in the company's public filings and disclosures relating to the former Chief Executive Officer of the Company Mr. Shanchun Huang and charges filed by the SEC against Mr. Shanchun Huang with manipulative trading in the stock of the Company using an offshore account shortly before he became the Company's CEO in 2020 and failing to disclose his beneficial ownership. Mr. Huang has denied the allegations of trading before he became CEO. Plaintiff claims that these alleged misstatements caused the Company's stock to trade at artificially inflated prices, harming investors when the truth was revealed. The lead plaintiff and lead counsel were appointed in September 2024. The Company was served in September 2024, and the Plaintiff is currently seeking substituted service on the individual defendants. Once service is resolved, the Plaintiff is expected to file an amended complaint, which the Company and other defendants intend to move to dismiss.

The Janzen action is a consolidated shareholder derivative case filed by Jeff Janzen on May 31, 2024, also pending in the District of New Jersey, brought nominally on behalf of Future FinTech. Plaintiff alleges that certain current and former officers and directors breached fiduciary duties by allowing or failing to prevent the same alleged misconduct at issue in LaBelle, including mismanagement and misleading public disclosures. The derivative case has been stayed

by stipulation, pending resolution of the anticipated motion to dismiss in LaBelle, but plaintiff has reserved the right to participate in mediation and settlement discussions relating to the class action.

Settlement with SEC

On December 17, 2019, the Company announced that it received a subpoena from the SEC's Division of Enforcement requiring the Company to produce documents and other information and the Company has cooperated with the SEC's investigation and information request. On July 3, 2023, the SEC announced a settlement of the investigation with the Company. Without admitting or denying the SEC's findings, the Company has consented to: (i) cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and (3) of the Securities Act, Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-13 and 13a-15(a) thereunder; (ii) pay a civil money penalty in the amount of \$1,650,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3) and the payment shall be made in the following installments: the first installment of \$150,000 shall be paid within ten (10) days of July 3, 2023 (the "Order Date"); the second installment of \$375,000 shall be paid within 90 days of the Order Date; the third installment of \$375,000 shall be paid within 180 days of the Order Date; the fourth installment of \$375,000 shall be made within 270 days of the Order Date; and the last installment of \$375,000 shall be made within 360 days of the Order Date; (iii) retain, within sixty (60) days of the Order Date, at Company's own expense, a qualified independent consultant (the "Consultant") not unacceptable to the SEC staff, to test, assess, and review the Company's internal accounting controls and internal control over financial reporting (collectively, "review"), and the Consultant, at the conclusion of the review, which in no event shall be no more than 180 days after the Order Date, to submit a report of the Consultant to the Company and the SEC staff and the report shall address the Consultant's findings and shall include a description of the review performed, the conclusions reached, and the Consultant's recommendations for changes or improvements; and (iv) adopt, implement, and maintain all policies, procedures and practices recommended in the report of the Consultant within 120 days of receiving the report from the Consultant. The Company has made all installment payments of the penalties except for the last one which will due on 360 days of the Order Date. On July 26, 2023, the Company also has engaged an independent consultant to test, assess, and review the Company's internal accounting controls and internal control over financial reporting. The consultant has completed its test, assess and review and issued a final report in December 2023. The Company has adopted and are implementing and maintaining policies, procedures and practices recommended in the report of the Consultant.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock is currently traded on the Nasdaq Capital Market under the symbol "FTFT." Prior to December 31, 2018, our stock traded on the Nasdaq Global Market, and before that, on the NYSE Amex.

As of April 11, 2025, there were 3,050,770 shares of our Common Stock issued and outstanding, and the Company had approximately 47 record holders of Common Stock. The number of holders of record does not include the number of persons whose stock is in nominee or "street name" accounts through brokers.

Dividend Policy

We have never declared or paid any cash dividends on our Common Stock. The payment of dividends is at the discretion of the Board and is contingent on our revenues and earnings, capital requirements, financial condition and the ability of our operating subsidiaries to obtain governmental approval to send funds out of the PRC. We currently

intend to retain all earnings, if any, for use in business operations. Accordingly, we do not anticipate declaring any dividends in the near future.

The PRC’s national currency, the RMB or yuan, is not a freely-convertible currency. Please refer to the Risk Factors “Governmental control of currency conversion may affect the value of shareholder investment,” and “PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiary’s ability to increase its registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law”.

Recent Sales of Unregistered Securities and Use of Proceeds

The Company did not make any sales of unregistered securities during the fiscal year ended December 31, 2024 that were not previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2024, with respect to our equity compensation plans previously approved by stockholders and equity compensation plans not previously approved by stockholders. The number of shares are pre-2025 Reverse Stock Split.

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by stockholders (1)	-	\$ -	5,000,000
Equity compensation plans not approved by stockholders	-	\$ -	-
Total	-	<u>\$ -</u>	<u>5,000,000</u>

- (1) Consists of Company’s 2024 Omnibus Equity Plan, which was approved by the Company’s shareholders at its annual meeting of stockholders on December 5, 2024, which was approved and adopted by the Board on October 12, 2024, to provide equity awards to employees, directors and consultants of the Company (the “2024 Plan”). There are 5,000,000 shares of commons stock available for awards under 2024 Plan. On March 10, 2025, the Compensation Committee of the Board granted stock awards of 5,000,000 shares of common stock of the Company, pursuant to the Company’s 2024 Omnibus Equity Plan, to sixteen officers and employees of the Company and its subsidiaries, including: 300,000 shares to Hu Li, Chief Executive Officer of the Company.

On December 23, 2023, the Compensation Committee of the Board of Directors (the “Board”) of the Company granted stock awards of 2,890,000 shares of common stock of the Company, pursuant to the Company’s 2023 Omnibus Equity Plan, to sixteen officers and employees of the Company and its subsidiaries (the “Grantees”), including: 200,000 shares to Shanchun Huang, then Chief Executive Officer and President of the Company, 40,000 shares to Peng Lei, Chief Operating Officer of the Company, and 30,000 shares to Hu Li, then Corporate Secretary of the Company (collectively, the “Grants”). The Grants vested immediately on the Grant Date and each of the Grantees also entered into an Unrestricted Stock Award Agreement with the Company on December 23, 2023. On October 4, 2024, the Company granted the remaining 2,110,000 share under 2023 Omnibus Equity Plan to 4 employees of the Company and its subsidiaries.

ITEM 6 – [RESERVED]

Not Applicable.

ITEM 7 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from the results described in or implied by these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Annual Report on Form 10-K, particularly under the heading “Risk Factors.”

Overview

Future FinTech is a holding company incorporated under the laws of the State of Florida and it is not a Chinese operating company. As a holding company with no material operations of our own, we conduct a substantial majority of our operations through our subsidiaries and this structure involves unique risks to investors. The Company historically engaged in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in People’s Republic of China. Due to drastically increased production costs and tightened environmental laws in China, the Company had transformed its business from fruit juice manufacturing and distribution to supply chain financing services and trading in China, asset management business in Hong Kong and cross-border money transfer service in UK. The Company also expanded into brokerage and investment banking business in Hong Kong and cryptocurrency mining farm in the U.S. The Company had a contractual arrangements with a VIE E-Commerce Tianjin in China, which has generated minimal revenue and business since 2021 due to the negative impact caused by COVID-19. The Company started the process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024. Due to worsened investment market sentiment in Hong Kong, the Company sold its ownership in Nice Talent Asset Management Limited (“NTAM”) to a third party for HK\$2.4 million (approximately \$300,000) in November 2024 and is no longer in asset management business in Hong Kong. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company (“FTFT SuperComputing”) to DDMM Capital LLC (the “Buyer”) for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii) \$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The closing of the transactions contemplated by the Agreement took place on December 9, 2024. On December 18, 2024, the Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 through the court ordered auction by the United States Marshal for the Southern District of New York. Currently, the main business of the Company is supply-chain financing services and trading in China.

On August 6, 2021, the Company completed acquisition of 90% of the issued and outstanding shares of Nice Talent Asset Management Limited (“NTAM”), a Hong Kong-based asset management company, from Joy Rich Enterprises Limited (“Joy Rich”). NTAM is licensed under the Securities and Futures Commission of Hong Kong (“SFC”) to carry out regulated activities in Type 4: Advising on Securities and Type 9: Asset Management. In order to retain talent in view of the increased turnover in the industry in Hong Kong, top performers of NTAM who had worked with the company for years were granted the right to subscribe for new shares of NTAM with cash. As a result, in July 2023, 19 shares of NTAM were issued to Ms. Lau Kwai Chun at a cash consideration of HK\$1,786,301 and in December 2023, 11 shares of NTAM were issued to Aspenwood Capital Partner Limited at a cash consideration of

HK\$1,034,174. Due to the abovementioned 30 new shares issuance, the Company's holding of NTAM decreased from 90% to 77.14%. In August 2024, NTAM issued additional 168 shares with HK\$17,900 each for a total of HK\$3,007,200 by way of rights subscription offer to three existing shareholders of NTAM and Future Fintech (Hong Kong) Limited did not participate in the subscription and an outsider investor purchased the shares. After the right subscription, the shareholding percentage of NTAM by Future Fintech (Hong Kong) Limited decreased from 77.14% to 42.86%. In November 2024, the Company sold its remaining 42.86% ownership of NTAM to a third party for HK\$2.4 million and is no longer in asset management business in Hong Kong.

On April 18, 2022, the Company and Future Fintech (Hong Kong) Limited, a wholly owned subsidiary of the Company jointly acquired 100% equity interest of KAZAN S.A., a company incorporated in Republic of Paraguay for \$288. The Company owns 90% and FTFT HK owns 10% of Kazan S.A., respectively. Kazan S.A. has no operation before the acquisition. The Company plans to develop bitcoin and other cryptocurrency mining and related services in Paraguay. The Company has changed its name from KAZAN S.A to FTFT Paraguay S.A. on July 28, 2022 and it was dissolved in December 2023 as the Company was not able to develop the business in Paraguay as planned.

On February 27, 2023, Future FinTech (Hong Kong) Limited ("Buyer"), a company incorporated in Hong Kong and a wholly owned subsidiary of Future FinTech Group Inc. (the "Company") entered into a Share Transfer Agreement (the "Agreement") with Alpha Financial Limited, a company incorporated in Hong Kong ("Seller") and sole owner and shareholder of Alpha International Securities (Hong Kong) Limited, a company incorporated in Hong Kong ("Alpha HK") and Alpha Information Service (Shenzhen) Co., Ltd., a company incorporated in China ("Alpha SZ"). Alpha HK holds Type 1 'Securities Trading', Type 2 'Futures Contract Trading' and Type 4 'Securities Consulting' financial licenses issued by the Hong Kong Securities and Futures Commission. Alpha SZ provides technical support services to Alpha HK. The share transfer transaction was approved by the Securities and Futures Commission of Hong Kong ("SFC") in August 2023 and the acquisition was closed on November 7, 2023. The names of the two entities were subsequently changed to 'FTFT International Securities and Futures Limited' and 'FTFT Information Services (Shenzhen) Co. Ltd.', respectively.

On September 4, 2024, the Company deregistered and dissolved the Tianjin Future Private Equity Fund Management Partnership, a Limited Partnership under the laws of China.

On December 6, 2024, the Company and FTFT SuperComputing Inc. a wholly owned subsidiary of the Company ("FTFT SuperComputing") entered into a Stock Purchase Agreement (the "Agreement") with DDMM Capital LLC (the "Buyer"). Pursuant to the terms of the Agreement, the Company sold all of the issued and outstanding shares of FTFT SuperComputing to the Buyer for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii)\$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The closing of the transactions contemplated by the Agreement took place on December 9, 2024.

On December 18, 2024, the Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 through the court ordered auction by the United States Marshal for the Southern District of New York.

On January 26, 2023, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment, the Company has authorized and approved a 1-for-5 reverse stock split of the Company's authorized shares of common stock from 300,000,000 shares to 60,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock (the "2023 Reverse Stock Split").

On March 27, 2025, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment, the Company has authorized and approved a 1-for-10 reverse stock split of the Company's authorized shares of common stock from 60,000,000 shares to 6,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock ("2025 Reverse Stock Split", collectively with 2023 Reverse Stock Split as "Reverse Splits"). The common stock will continue to be \$0.001 par value. The Company rounded up the fractional shares that result from the 2025 Reverse Stock Split and no fractional shares will be issued in connection with the 2025 Reverse Stock Split and no cash or other consideration will be paid in connection with any fractional shares that would otherwise have resulted from the 2025 Reverse Stock Split. No changes are being made to the number of preferred shares of the Company which remain as 10,000,000 preferred shares as authorized but not issued. The amendment to the Articles of Incorporation of the Company took effect at 1:00pm E.T. on April 1, 2025.

The Company operated a blockchain based online shopping platform, Chain Cloud Mall ("CCM") Chain Cloud Mall through its VIE and its business was materially and negatively affected during outbreak of COVID-19 because the Company was unable to implement its promotion strategy to enroll new members through training of such members and distributors via meetings and conferences which was not possible during the outbreak of COVID-19. CCM has generated minimal revenue and business since 2021, despite the Company transformed the member-based business model of CCM to a sale agent based "Enterprise Communication as A Service" or eCAAS platform during the second quarter of 2021. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

There are legal and operational risks associated with being based in and having a substantial majority of operations in China and Hong Kong. These risks could result in a material change in our operations and/or the value of our common stock or could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our shares to significantly decline or be worthless. In the past few years, the PRC government initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued an announcement to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. On February 15, 2022, Cybersecurity Review Measures published by Cyberspace Administration of China or the CAC, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People's Bank of China, State Administration of Radio and Television, China Securities Regulatory Commission ("CSRC"), State Secrecy Administration and State Cryptography Administration became effective, which provides that, Critical Information Infrastructure Operators ("CIIOs") that intend to purchase internet products and services and Online Platform Operators engaging in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office. On July 7, 2022, CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer, effective on September 1, 2022, which requires the data processors to apply for data cross-border security assessment coordinated by the CAC under the following circumstances: (i) any data processor transfers important data to overseas; (ii) any critical information infrastructure operator or data processor who processes personal information of over 1 million people provides personal information to overseas; (iii) any data processor who provides personal information to overseas and has already provided personal information of more than 100,000 people or sensitive personal information of more than 10,000 people to overseas since January 1st of the previous year; and (iv) other circumstances under which the data cross-border transfer security assessment is required as prescribed by the CAC. On February 17, 2023, the CSRC released New Overseas Listing Rules with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require

Chinese domestic enterprises to complete filings with CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, or the Confidentiality and Archives Administration Provisions, which took effect on March 31, 2023. PRC domestic enterprises seeking to offer securities and list in overseas markets, either directly or indirectly, shall establish and improve the system of confidentiality and archives work, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that (i) providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting records or photocopies thereof to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations; and (ii) any working papers formed in the territory of the PRC by securities companies and securities service agencies that provide domestic enterprises with securities services relating to overseas securities issuance and listing shall be stored in the territory of the PRC, the outbound transfer of which shall be subject to corresponding procedures in accordance with relevant laws and regulations. As of the date of this report, these new laws and guidelines that became effective have not impacted the Company's ability to conduct its business, accept foreign investment or list on a U.S. or other foreign stock exchange except for the filing requirement under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. In addition, new rules and regulations could be adopted and there are uncertainties in the interpretation and enforcement of existing laws and guidelines, which could materially and adversely impact our business and financial outlook and may impact our ability to accept foreign investments or continue to list on a U.S. or other foreign stock exchange. Any change in foreign investment regulations, and other policies in China or related enforcement actions by China government could result in a material change in our operations and the value of our securities and could significantly limit or completely hinder our ability to offer our securities to investors or cause the value of our securities to significantly decline or be worthless.

In the opinion of our PRC counsel Fengdong Law Firm, subsidiaries of the Company are incorporated and operating in mainland China have received all required permissions from Chinese authorities to operate their current business in China, including Business licenses and Bank Account Open Permits, as of the date of this report.

In the opinion of Fengdong Law Firm, as of the date of this report, we, our subsidiaries in China are not subject to permission requirements from the CSRC or CAC or any other entity that is required to approve of their operations and

have not received or were denied such permissions by any PRC authorities. Currently, we are required to file with CSRC for any offerings under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. Given the current PRC regulatory environment, it is uncertain whether we, our subsidiaries, will be able to obtain permission from the PRC government to offer our securities to foreign investors, and even when such permission is obtained, whether it will be denied or rescinded. If we or any of our subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we or our subsidiaries are required to obtain such permissions or approvals, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless. Failure to take timely and appropriate measures to adapt to any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

The Company currently has one directly controlled subsidiaries: Future FinTech (Hong Kong) Limited, a company incorporated under the laws of Hong Kong.

SkyPeople Foods Holdings Limited (“SkyPeople BVI”) was a wholly owned subsidiary of the Company and a company organized under the laws of the British Virgin Islands, which held 100% of the equity interest of HeDeTang Holdings (HK) Ltd. (“HeDeTang HK”), a company organized under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), and HeDeTang HK held 73.42% of the equity interest of SkyPeople Juice Group Co., Ltd., (“SkyPeople (China)”), a company incorporated under the laws of the PRC. SkyPeople (China) had eleven subsidiaries in the PRC, which were mainly involved in the production and sales of fruit juice concentrates, fruit juice beverages and other fruit-related products in the PRC and overseas markets. On February 27, 2020, SkyPeople BVI (the “Seller”) completed the transfer of its ownership of HeDeTang HK to New Continent International Co., Ltd. (the “Buyer”), an unrelated third party and a company incorporated in the British Virgin Islands for a total price of RMB 0.6 million (approximately \$85,714), pursuant to a Share Transfer Agreement entered into by the Seller and the Buyer on September 18, 2019 and approved at the special shareholders meeting of the Company on February 26, 2020 (the “Sale Transaction”). SkyPeople BVI had no operational assets or business after the transfer and the Company dissolved SkyPeople BVI on July 27, 2020.

Supply Chain Financing Service and Trading in China

Since the second quarter of 2021, we started supply chain financing service and trading business, which currently includes coal, aluminum ingots, sand and steel supply chain financing service and trading business.

Our supply chain finance business mainly serves the receivables and payables of industrial customers, obtains the creditor’s rights or commodity goods rights of large state-owned enterprises through trade execution, provides customers with working capital, accelerates capital turnover, and then expands the business scale and improves the industrial value.

Through our supply chain service ability and customer resources, we can tap into low-risk assets, flexibly carry out financial services around the actual financial needs of certain industries, and reduce the overall risk of the business by using the control of business flow, goods logistics and capital flow in the process of commodity circulation.

We focus on bulk commodity goods such as sand, steel, coal and aluminum ingots and take large state-owned or listed companies as the core service targets; We use our own funds as the operation basis, actively uses a variety of channels and products for financing, such as banks, commercial factoring companies, accounts receivable, asset-backed securities, and other innovative financing methods to obtain sufficient funds.

We sign purchase and sale agreements with suppliers and buyers. The suppliers are responsible for the supply and transportation of goods to the end users’ designated freight yard or transfer the title to us in certain warehouses. We

also provide trading service as we don't take control over the ownership of the goods but receive lower margin for the transaction. For the sale of goods where we obtain control of the goods before transferring it to the customer, we recognize revenue based on the gross revenue amount billed to customers as sales of goods. We consider multiple factors when determining whether we obtain control of third-party goods, including evaluating if we can establish the price of the goods, retain inventory risk for tangible goods or have the responsibility for ensuring acceptability of the goods. We recognize net revenue as agent services for the sales of coals, aluminum ingots, sand and steel when no control obtained throughout the transactions. We select the customers and suppliers that have good credit and reputation.

Asset Management, Brokerage and Investment Banking Services in Hong Kong.

The Company acquired 90% of the issued and outstanding shares of Nice Talent Asset Management Limited ("NTAM"), a Hong Kong-based asset management company in August 2021. NTAM was founded in 2018 and it engages asset management and advisory services. NTAM is licensed under the Securities and Futures Commission of Hong Kong (SFC) for carrying out regulated activities in "Advising on Securities" and "Asset Management". NTAM offers diversified asset management portfolio for professional investors. Assets of NTAM's clients are held in banks, where clients gave the banks their authorization allowing NTAM to place trading instructions on behalf of the clients in order to manage the clients' assets. In order to retain talent in view of the increased turnover in the industry in Hong Kong, top performers of NTAM who had worked with the company for years were granted the right to subscribe for new shares of NTAM with cash. As a result, in July 2023, 19 shares of NTAM were issued to Ms. Lau Kwai Chun at a cash consideration of HK\$1,786,301 and in December 2023, 11 shares of NTAM were issued to Aspenwood Capital Partner Limited at a cash consideration of HK\$1,034,174. Due to the abovementioned 30 new shares issuance, the Company's holding of NTAM decreased from 90% to 77.14%. In August 2024, NTAM issued additional 168 shares with HK\$17,900 each for a total of HK\$3,007,200 by way of rights subscription offer to three existing shareholders of NTAM and Future Fintech (Hong Kong) Limited did not participate in the subscription and an outsider investor purchased the shares. After the right subscription, the shareholding percentage of NTAM by Future Fintech (Hong Kong) Limited decreased from 77.14% to 42.86%. In November 2024, the Company closed the sale of its remaining 42.86% ownership of NTAM to a third party for HK\$2.4 million and is no longer in asset management business in Hong Kong.

NTAM mainly engages in following asset management services for its clients:

(1) Equity Investment

NTAM manages clients' investment portfolio in stocks of the companies listed on the international market with strong liquidity. At the same time, it selects companies that have unique or differentiated businesses, realizing above average profit growth.

(2) Debt investment

When NTAM manages clients' investment portfolio in bonds that are denominated in major international currencies such as US dollar, euro and sterling, the issuer of debts shall have good credit rating and asset liability ratio. Through active management, NTAM focuses on bonds with higher yield to maturity among bonds with the same maturity and credit rating.

(3) Precious metals and currencies investment

NTAM also manages clients' investment portfolio in major international currencies and precious metals, including US dollar, Euro, British pound, Japanese yen, Australian dollar and offshore Chinese yuan. Precious metals include gold, platinum and silver. With research on the fundamentals of market supply and demand to predict the trend of commodity prices, NTAM endeavors to improve the rate of return for clients through dual currency investment, options and structured products.

(4) Derivative Investment

NTAM also manages clients' investment portfolio in financial derivatives in different asset classes, such as options and structured products.

(5) External Asset Management Services (EAM)

This business takes customer demand as the service purpose, cooperates with several private banks which provide asset custody services, and innovatively introduces the function of investment bank to provide exclusive private solutions for clients.

NTAM's main revenue is generated from providing professional advices to clients and management fees for managing the investment of the clients.

Impact of COVID-19 on our Business

In December 2019, a novel strain of coronavirus was reported and has spread throughout China and other parts of the world. On March 11, 2020, the World Health Organization characterized the outbreak as a "pandemic". In early 2020, Chinese government took emergency measures to combat the spread of the virus, including quarantines, travel restrictions, and the temporary closure of office buildings and facilities in China. In response to the evolving dynamics related to the COVID-19 outbreak, the Company was following the guidelines of local authorities as it prioritizes the health and safety of its employees, contractors, suppliers and business partners. Our offices in China were closed and the employees worked from home at the end of January 2020 until late March 2020. The quarantines, travel restrictions, and the temporary closure of office buildings have materially negatively impacted our business. The outbreak has had and might continue to have disruption to our supply chain, logistics providers, customers or our marketing activities with the new variants of COVID-19, which could materially adversely impact our business and results of operations. There were outbreaks in various cities and provinces in China due to Omicron variant, such as Xi'an city, Hong Kong, Shanghai, Beijing and other cities in 2022, which have resulted quarantines, travel restrictions, and temporary closure of office buildings and facilities in these cities. In December 2022, the Chinese government eased its strict zero COVID-19 policy which resulted in a surge of new COVID-19 cases during December 2022 and January 2023, which has disrupted our business operations in China. The Company's promotion strategy of CCM Shopping Mall previously mainly relied on the training of members and distributors through meetings and conferences. Chinese government put a restriction on large gatherings in 2020 and 2021, which made the promotion strategy for our online e-commerce platforms difficult to implement and the Company experienced difficulties to subscribe new members for its online e-commerce platforms. Since 2021, CCM generated minimal revenue and business for the Company. The Company started a process to close down its operations in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

While the potential economic impact brought by new variants of COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. Further, as we do not have access to a revolving credit facility, there can be no assurance that we would be able to secure commercial debt financing in the future in the event that we require additional capital. In the event that we do need to raise capital in the future and there is any outbreak due to new variants, outbreak-related instability in the securities markets could adversely affect our ability to raise additional capital.

Discontinued Operations

On June 16, 2023, QR (HK) Limited was dissolved and deregistered.

On December 5, 2023, FTFT PARAGUAY S.A. was dissolved.

On March 7, 2024, Chain Cloud Mall Network and Technology (Tianjin) Co., Limited was dissolved and deregistered.

On September 4, 2024, Tianjin Future Private Equity Fund Management Partnership (Ltd Partnership) was dissolved and deregistered.

On November 27, 2024, Nice Talent Asset Management Limited (“NTAM”) was disposed of for a consideration of US\$ 0.31 million (HK\$2.40 million).

On December 9, 2024, FTFT SuperComputing Inc. was disposed of for a consideration of US\$1.97 million, of which (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii) \$1,000,000 was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York.

On December 18, 2024, the Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 through the court ordered auction by the United States Marshal for the Southern District of New York. Currently, the main business of the Company is supply-chain financing services and trading in China

Segment Information Reclassification

The Company’s businesses mainly are Supply Chain Financing and Trading Services and Asset Management Services.

Use of Estimates

The Company’s consolidated financial statements have been prepared in accordance with U.S. GAAP and this requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure at contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the allowance for doubtful accounts receivable, estimated useful life and residual value of property, plant and equipment, impairment of long-lived assets, provision for staff benefit, valuation of change in fair value of warrant liability, recognition and measurement of deferred income taxes and valuation allowance for deferred tax assets. Although these estimates are based on management’s knowledge of current events and actions management may undertake in the future, actual results may ultimately differ from those estimates.

Fair Value of Financial Instruments

On January 1, 2009, the Company adopted FASB Accounting Standard Codification Topic on Fair Value Measurements and Disclosures (“ASC 820”), which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. In February 2008, FASB deferred the effective date of ASC 820 by one year for certain non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted the provisions of ASC 820, except as it applies to those non-financial assets and non-financial liabilities for which the effective date has been delayed by one year.

ASC 820 establishes a three-level valuation hierarchy of valuation techniques based on observable and unobservable input, which may be used to measure fair value and include the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Input other than Level 1 that is observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other input that is observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable input that is supported by little or no market activity and that is significant to the fair value of the assets or liabilities. Classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

Revenue Recognition

The Company adopted ASC 606, Revenue from Contracts with Customers, from January 1, 2018. The adoption had no impact on the Company's retained earnings as of January 1, 2018 as well as the Company's financial statements for the year ended December 31, 2019. To achieve that core principle, we apply the five steps defined under Topic 606: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We assess its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue is recognized upon the transfer of control of promised goods or services to a customer. Historically, the Company has not had any returned products. Accordingly, no provision has been made for returnable goods. The Company is not required to rebate or credit a portion of the original fee if it subsequently reduces the price of its products.

Foreign Currency and Other Comprehensive Income

The financial statements of the Company's foreign subsidiaries are measured using the local currency as the functional currency; however, the reporting currency of the Company is the United States dollar ("USD"). Assets and liabilities of the Company's foreign subsidiaries have been translated into USD using the exchange rate at the balance sheet date, while equity accounts are translated using historical exchange rate. The average exchange rate for the period has been used to translate revenues and expenses. Translation adjustments are reported separately and accumulated in a separate component of equity (cumulative translation adjustment).

Other comprehensive income for the years ended December 31, 2024 and 2023 represented foreign currency translation adjustments and were included in the consolidated statements of comprehensive income.

There is no guarantee the RMB amounts could have been, or could be, converted into USD at rates used in translation.

Income Taxes

Income taxes are provided on an asset and liability approach for financial accounting and reporting of income taxes. Any tax paid by subsidiaries during the year is recorded. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purpose and is calculated using tax rates that have been enacted at the balance sheet date. Deferred income tax liabilities or assets are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and the financial reporting amounts at each period end. A valuation allowance is recognized if it is more likely than not that some portion, or all, of a deferred tax asset will not be realized.

ASC 740 provides guidance for recognizing and measuring uncertain tax positions, and it prescribes a threshold condition that a tax position must meet for any of the benefits of the uncertain tax position to be recognized in the financial statements. ASC 740 also provides accounting guidance on derecognizing, classification and disclosure of these uncertain tax positions.

Impairment of Long-Lived Assets

In accordance with the FASB ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. It is reasonably possible that these assets could become impaired as a result of technological or other industrial changes. Determination of recoverability of assets to be held and used is by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the assets.

If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Recent Accounting Pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on the Company. See Note 2. Summary of Significant Accounting Policies, to our Consolidated Financial Statements for a description of applicable recent accounting pronouncements.

Comparison of Operation Results of years ended December 31, 2024 and 2023

Revenue

The following table presents our consolidated revenues for our main products and services for the fiscal years 2024 and 2023, respectively, (in thousands):

	Year ended December 31,		Change	
	2024	2023	Amount	%
Supply Chain Financing/Trading	\$ 983	\$ 20,826	\$ (19,843)	(95.28)%
Others	1,175	871	304	34.90%
Total	<u>\$ 2,158</u>	<u>\$ 21,697</u>	<u>\$ 19,539</u>	<u>(158.50)%</u>

Revenue decreased from \$21.7 million in 2023 to \$2.16 million in 2024, decrease of \$19.54 million or 158.5%. The decrease in overall revenue was mainly due to the sale of the subsidiary NTAM which generated \$12.88 million revenue from asset management business in 2023 as well as decrease in revenues generated from supply chain financing and trading business. As the real estate, infrastructure and overall economy in China have slowed down in 2024, the demand for sand and steel has dropped during 2024 comparing to the same period of 2023, and coal price has decreased in China and the market demand has also decreased during 2024 as comparing to the same period of 2023.

Other revenues increased from \$0.87 million for the year ended December 31, 2023 to \$1.18 million for the same period of 2024, mainly due to the increased debt recovery consulting service fee as well as U.S. dollar bond service income, as we did not have such income in 2023.

Gross Margin (in thousands)

	2024		2023	
	Gross profit	Gross margin	Gross profit	Gross margin
Supply Chain Financing/Trading	\$ 175	17.8%	423	2.03%

Others	1,097	93.36%	698	80.09%
Total	<u>\$ 1,272</u>	<u>58.94%</u>	<u>\$ 1,121</u>	<u>51.95%</u>

Overall gross profit increased from approximately \$1.12 million in 2023 to approximately \$1.27 million in 2024, mainly due to new consulting and US dollar bond services business in 2024 comparing to 2023.

Operating Expenses

The following table presents consolidated operating expenses and operating expenses as a percentage of revenue for 2024 and 2023, respectively, (in thousands):

	2024		2023	
	Amount	% of revenue	Amount	% of revenue
General and administrative	\$ 6,213	287.91%	\$ 7,244	33.39%
Research and development expenses	313	14.5%	340	1.57%
Stock compensation expense	671	31.09%	3,468	15.98%
Selling expenses	636	29.47%	288	1.33%
(Recovery) Provision of doubtful debts	27,350	1,267.38%	(788)	(3.63)%
Impairment Loss	-	-	14,161	65.27%
Total operating expenses	<u>\$ 35,207</u>	<u>1,631.46%</u>	<u>\$ 24,713</u>	<u>113.9%</u>

General and administrative expenses decreased by \$1 million, or 13.89%, from \$7.2 million to \$6.2 million for the year ended 2024, compared to the same period of last fiscal year. The decrease in general and administrative expenses was mainly due to decreased professional service fees and rental fee during the year ended December 31, 2024.

Selling expenses increased by \$0.35 million to \$0.63 million in 2024 as compared to \$0.28 million in 2023, the increase in selling expenses was mainly due to increase in selling expenses from our supply chain business.

Bad debt provision increased by \$27.35 million during the year 2024, compared to the same period of last fiscal year. The increase was due to bad debt provision in 2024 because a different bad debt provision accounting treatment method used in 2024.

Loss from Operations

Loss from operations increased by \$1.41 million to \$34.23 million for 2024 from \$32.82 million for 2023, mainly due to decrease in cost of revenue.

Noncontrolling Interests

Nature Worldwide Resources Ltd. holds 40% interest in DCON DigiPay Limited (“DCON Digipay”). Each of Bin Wu and Lixiong Huang holds 25% and 20% interest in FTFT Capital Investments L.L.C., respectively.

Loss per Share

Basic and diluted loss per share from continuing operations were \$1.63 and \$1.63 in fiscal 2024, as compared to \$2.21 and \$2.2 in fiscal 2023, respectively. Basic and diluted loss per share attributable to discontinued operations was \$0.06 and \$0.06 for fiscal year 2024 as compared to basic and diluted income per share \$0.07 and \$0.07 for fiscal year 2023 respectively.

Liquidity and Capital Resources

As of December 31, 2024, we had cash and cash equivalents of \$4.84 million, a decrease of \$12.57 million, from \$17.41 million as of December 31, 2023. The decrease in cash, cash equivalents was mainly due the loss in provision of doubtful debt for the year ended December 31, 2024 comparing to the same period of 2023.

Our working capital has historically been generated from our operating cash flows, advances from our customers and loans from bank facilities. Our working capital was \$8.27 million as of December 31, 2024, a decrease of \$28.49 million from \$36.76 million as of December 31, 2023, mainly due to decrease in current assets.

In 2024, net cash used in our operating activities was \$21.23 million compared to net cash used in operating activities of \$14.56 million in 2023. The increase in net cash used by operating activities was primarily due to an increase in provision of doubtful debt during the year ended December 31, 2024.

In 2024, net cash provided in our investing activities was \$16.29 million compared to net cash used in operating activities of \$8.78 million in 2023 mainly due to decrease in repayment for loan receivable.

In 2024, cash used by financing activities was \$2.5 million as compared to cash used in financing activities negative \$2.4 million in 2023. The increase in cash used by financing activities was mainly due to proceeds from the issuance of common stock from a private placement, net of issuance costs.

Off-Balance Sheet Arrangements

As of December 31, 2024, we did not have any off-balance sheet arrangements.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by this item is included in the Company's consolidated financial statements beginning on page F-1 of this Annual Report on Form 10-K.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act, as of December 31, 2024.

The term “disclosure controls and procedures” as defined in Rules 13a-15(e) and 15d-15(e) means controls and other procedures of the Company that are designed to ensure that information required to be disclosed by a company in reports, such as this report, that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2024, due to a material weakness in our internal control over financial reporting., we currently are training our staff with the appropriate level of knowledge, experience and training in U.S. GAAP and SEC reporting requirements.

Management’s Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of our consolidated financial statements in accordance with U.S. GAAP. Our accounting policies and internal controls over financial reporting, established and maintained by management, are under the general oversight of the Board’s audit committee.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management assessed our internal control over financial reporting as of December 31, 2024.

The standard measures adopted by management in making its evaluation are the measures in the Internal-Control Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on management’s assessment, our CEO and CFO concluded that our internal control over financial reporting as of December 31, 2024 was ineffective. We have taken, and are taking, certain actions to remediate the material weakness related to our lack of U.S. GAAP and SEC reporting experience. We engaged a consultant with U.S. GAAP knowledge and experience to supplement our current internal accounting personnel and assist us in the preparation of our financial statements to ensure that our financial statements are prepared in accordance with U.S. GAAP. We also engaged an internal control consulting firm in July 2023 to review, test and improve our internal accounting controls and internal control over financial reporting. We have adopted and are implementing policies, procedures and practices recommended in the report of the consultant and have arranged training of internal control for our employees and management on disclosure controls and procedures. We believe the measures described above will remediate the

material weakness. The Company continues to make efforts to implementing its existing and newly adopted procedures to improve our disclosure controls and internal controls over financing reporting.

Changes to Internal Control over Financial Reporting

Other than discussed above, there has been no change to our internal control over financial reporting that occurred during the period covered by this annual report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B – OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth as of April 11, 2025, the names, positions and ages of our current executive officers and directors. Our directors serve until the next annual meeting of shareholders or until their successors are elected and qualified. Our officers are elected by the Board and their terms of office are, except to the extent governed by an employment contract, at the discretion of the Board.

Name of Current Director and/or Executive Officer	Age	Position(s)
Hu Li (1)	51	Chief Executive Officer (“CEO”), President and Director
Ming Yi (2)	44	Chief Financial Officer (“CFO”)
Peng Lei (3)	47	Chief Operating Officer (“COO”)
Fuyou Li (4)(5)	71	Independent Director and Chairman of the Board of Directors
Mingyong Hu (4)(6)	46	Independent Director
Mingjie Zhao (4)(7)	59	Independent Director
Ying Li (8)	36	Vice President and Director

(1) Hu Li was appointed as CEO, President and a member of the Board of Directors of the Company on August 5, 2024.

(2) Ming Yi was appointed as CFO of the Company on November 30, 2020.

(3) Peng Lei was appointed as the COO of the Company on July 28, 2023.

(4) Member of the audit committee and compensation committee.

(5) Fuyou Li was appointed a member of the Board of Directors of the Company on May 8, 2015 and as the Chairman of the Board on June 23, 2021.

(6) Mingyong Hu was appointed a member of the Board of Directors of the Company on October 1, 2024.

(7) Mingjie Zhao was appointed a member of the Board of Directors of the Company on July 15, 2020.

(8) Ms. Ying Li was appointed as a member of the Board on June 23, 2021.

Hu Li, Chief Executive officer, President and Director of the Board

Mr. Hu Li has served as the Chief Executive Officer, President of the Company and a member of the Board since August 5, 2024. Mr. Li has served as the Corporate Secretary of the Company since June 2019. Mr. Li has served as a director and Chief Executive Officer of FTFT International Securities and Futures Limited, a wholly owned subsidiary of the Company since January 2024. Mr. Li has served as a director of the Board of Directors of Shineco, Inc. (Nasdaq: SISI) since September 2021. Mr. Li served as the chief supervisor of Anhui Yihai Mining Equipment Co., Ltd., a public company in China NEEQ Market (Stock Symbol: 831451) from February 2018 to July 2021. From September 2015 to February 2018, Mr. Li served as the Vice General Manager of Shaanxi Huipu Financial Leasing Co., Ltd. Mr. Li obtained his master's degree in Business Administration (MBA) from Xi'an Technology University in 2008 and bachelor's degree from Xi'an Fanyi University in 1996. The Board believes that Mr. Hu's significant experience in investment and management will be an asset to the Company and the Board.

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Ming Yi, Chief Financial Officer

On November 30, 2020, the Board of the Directors appointed Mr. Ming Yi as the Chief Financial Officer ("CFO") of the Company.

Mr. Yi has served as an independent director of Hudson Capital Inc. (Nasdaq: HUSN) since March 31, 2020. Mr. Yi was the Chief Financial Officer of SSLJ.com Limited from July 2018 to July 2019. From June 2011 to August 2018, Mr. Yi was the Chief Financial Officer and a board member of Wave Sync Corp. (formerly known as China Bio-Energy Corp). From September 2009 to April 2011, he served as a senior manager at Qi He Certified Public Accountants Co. Ltd. From July 2007 to August 2010, Mr. Yi was a senior auditor at Ernst & Young. Mr. Yi received his Bachelor of Science degree in Accounting from School of Business Administrations of Liaoning University in 2004 and his Master of Science degree in Accounting and Finance from Victory University, Australia in 2006. Mr. Yi is a Certified Public Accountant in Australia.

Peng Lei, Chief Operating Officer

On July 28, 2023, the Company appointed Mr. Peng Lei as the Chief Operating Officer ("COO") of the Company.

Mr. Peng Lei has served as general manager of Future Commercial Management Co., Ltd., a wholly owned subsidiary of the Company since July 2022. From July 2019 to July 2022, Mr. Lei served as the general manager of Xi'an Dingtaiheng Supply Chain Management Co., Ltd. and Ningbo Tielin Supply Chain Management Co., Ltd. From March 2014 to July 2019, Mr. Lei served as a director and general manager of Changan Parking Investment Management (Shanghai) Co., Ltd. From April 2010 to March 2014, Mr. Lei was the manager of Xi'an Zhonglou Sub-branch of Shanghai Pudong Development Bank. Mr. Lei received his Ph.D. degree and master's degree in finance from the School of Economics and Finance of Xi'an Jiaotong University in September 2011 and July 2009, respectively. Mr. Lei received his bachelor's degree in international finance from the School of Management of Xi'an Jiaotong University in July 1999.

Fuyou Li, Director and Chairman of the Board

Mr. Fuyou Li has served as a member of the Board and a member of the audit and compensation committees of the Board since May 8, 2015. Mr. Li was appointed as the Chairman of the Board on June 23, 2021. Mr. Li graduated from Xi'an Jiaotong University with a doctor's degree in economics. He has taught international finance as a professor at Xi'an Jiaotong University from 2000 to July 2023. The Board believes his qualifications, professional background and expertise in international finance are important to the Company and the Board.

Mingyong Hu, Director

On October 1, 2024, the Board appointed Mingyong Hu as a member of the Board of Directors of the Company. Mr. Hu is also the Chairman of Audit committee of the Board and a member of the Compensation Committee of the Board.

Mr. Mingyong Hu was the founder and CFO of Beijing Xiaowu Supply Chain Technology Co., Ltd. from August 2021 to April 2024. From March 2019 to July 2021, Mr. Hu was the executive vice president of Zhenghua Guotai International Trading Co., Ltd. From October 2017 to March 2019, Mr. Hu was the general manager of Zhongrong Dinghui (Beijing) Equity Investment Fund Management Co., Ltd. From January 2016 to October 2017, Mr. Hu was the executive vice president of Zhongsheng Wantong Equity Investment Fund Management (Beijing) Co., Ltd. From June 2007 to December 2015, Mr. Hu was a partner and executive deputy general manager of Zhonghao Investment Group Co., Ltd.

Mr. Mingyong Hu received his bachelor's degree in accounting from Hunan University in July 2001. Mr. Hu is a Certified Public Accountant of China, and he also holds Certification of Securities Professional and Fund Qualification Certificate in China.

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Mingjie Zhao, Director

Mr. Mingjie Zhao was appointed as a member of the Board and Chairman of the Compensation Committee and a member of Audit Committee of the Board on July 15, 2020. Mr. Zhao has served as a director of New York Hua Yang, Inc. since April 2018. From July 2016 to March 2018, Mr. Zhao served as Chief Executive Officer of TD Holdings, Inc. (formerly known as China Commercial Credit Inc. and Nasdaq: GLG). Mr. Zhao was the Chief Operating Officer and a director of New York Hua Yang, Inc. from September 2011 to July 2016. Mr. Zhao obtained his Master of Business Administration degree from University of Bridgeport in Connecticut in May 2003 and his Bachelor of Science degree from China Eastern Normal University in Shanghai, China in July 1985. The Board believes that Mr. Zhao's experience and extensive knowledge in management and public company is essential to the Company.

Ying Li, Director and Vice President

Ms. Ying Li was appointed as a member of the Board on June 23, 2021 and she has served as a director of Alpha International Securities (HONG KONG) Limited since September 9, 2020 and as a director of Alpha International Financial Holdings Limited since February 5, 2020. The Company acquired FTFT International Securities and Futures Limited in November 2023 and changed its name to FTFT International Securities and Futures Limited. Ms. Li has served as the vice president of the Company and a director of Future FinTech (Hong Kong) Limited, a wholly owned subsidiary of the Company since July 2016. From October 2011 to December 2019, Ms. Li served as the secretary of the Board of the Company. Ms. Li received her bachelor's degree in English from Xi'an International Studies University in July 2010. The Board believes that Ms. Li's extensive business and operational knowledge of the Company qualifies her as a member of the Board.

All of our directors and officers reside outside of the United States, except for Mr. Mingjie Zhao. Mr. Peng Lei, Mr. Hu Li, Mr. Ming Yi, Ms. Ying Li and Fuyou Li reside in China.

Board Diversity Matrix

Board Diversity Matrix (As of April 11, 2025)

Total Number of Directors	5			
	<u>Female</u>	<u>Male</u>	<u>Non-Binary</u>	<u>Did Not Disclose Gender</u>

Part I: Gender Identity

Directors	1	4	0	0
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Part II: Demographic Background

Asian (other than South Asian)			5	
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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that directors, certain officers of the Company and ten percent shareholders file reports of ownership and changes in ownership with the Commission as to the Company's securities beneficially owned by them. Such persons are also required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of copies of such forms received by the Company, or on written representations from certain reporting persons, the Company believes that, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent shareholders were complied with during the fiscal year ended December 31, 2024,.

Code of Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Our code of business conduct and ethics is available on our website at www.ftt.com and may be found by first clicking on "Investors," then "Corporate Governance" and then "Governance Documents." We intend to disclose any amendments to the code, or any waivers of its requirements, on our website.

Committees of the Company's Board of Directors

The Board held 10 regularly scheduled and special meetings during fiscal year 2024. All of the directors attended (in person or by telephone) all of the Board meetings and any committees of the Board on which they served during the fiscal year. Directors are expected to use their best efforts to be present at the shareholders annual meeting. All of our directors attended the December 5, 2024 shareholders annual meeting by tele-conference or in person.

Audit Committee

On April 25, 2008, the Board formed an audit committee. Messrs. Hu, Li and Zhao currently serve on the audit committee, which is chaired by Mr. Lau. Each member of the audit committee is "independent" as that term is defined in the rules of the SEC and within the meaning of such term as defined under the rules of the NASDAQ Capital Market. The Board has determined that each audit committee member has sufficient knowledge in financial and auditing matters to serve on the audit committee. The audit committee held 4 meetings during fiscal year 2024, and all audit committee members attended each of those meetings. Our Board has determined that Mr. Hu is an "audit committee financial expert," as defined under the applicable SEC rules. The audit committee has a written charter, which is available on the Company's website at <http://www.ftt.com>.

Management is responsible for the Company's internal controls and the financial reporting process. The independent accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and issuing reports thereon. The audit committee's responsibility is to monitor these processes. The audit committee meets with management, the leader of the internal audit function, and the independent accounting firm to facilitate communication. In addition, the audit committee appoints the Company's independent accounting firm and pre-approves all audit and non-audit services to be performed by the independent accounting firm.

Compensation Committee

On April 25, 2008, the Board formed a compensation committee. Messrs. Hu, Li and Zhao currently serve on the compensation committee, which is chaired by Mr. Zhao. Each member of the compensation committee is “independent” as that term is defined in the SEC rules and within the meaning of such term as defined under the rules of the NASDAQ Capital Market, a “nonemployee director” for purposes of Section 16 of the Exchange Act. No interlocking relationship exists between the Board or the compensation committee and the Board or compensation committee of any other company, nor has any interlocking relationship existed during the last fiscal year. The compensation committee held 3 meetings during fiscal year 2024. The compensation committee has a written charter, which is available on the Company’s website at <http://www.ftt.com/>.

Our Board has delegated to the compensation committee the responsibility, among other things, to determine any and all compensation payable to our executive officers, including annual salaries, incentive compensation, long-term incentive compensation and any other compensation, and to administer our equity and incentive compensation plans applicable to our executive officers. Decisions regarding executive compensation made by the compensation committee are considered final and are not generally subject to Board review or ratification. Under the terms of its written charter, the compensation committee has the power and authority to delegate any of its duties and responsibilities to subcommittees as the compensation committee may deem appropriate in its sole discretion. Historically, the compensation committee has not generally delegated any of its duties and responsibilities to subcommittees, but rather has taken such actions as a committee, as a whole. Deliberations and decisions by the compensation committee concerning executive officers are made by the compensation committee, without the presence of the any executive officer of the Company.

Other Committees

The Board may on occasion establish other committees, as it deems necessary or required. We do not currently have a standing nominating committee, or a committee performing similar functions. The full Board currently serves this function. Our directors believe that it is not necessary to have such committees, at this time, because the functions of such committees can be adequately performed by the Board. The independent directors of the Board will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment by the Board. Other than the Rule 14a-19 under the Exchange Act, there have been no material changes to the procedures by which security holders may recommend nominees to the Board.

Board Leadership Structure

Our Board of Directors is currently comprised of five members, including three independent directors who serve as members of our audit committee and compensation committee. Our Board leadership structure consists of a Chairman of the Board. Currently, Mr. Fuyou Li, an independent director, serves as Chairman of the Board. The Board of Directors believes that this leadership structure, with Mr. Fuyou Li serving as the Chairman and Mr. Hu Li serving as Chief Executive Officer, is appropriate at this time because it enables the Board, as a whole, to engage in oversight of management, promote communication and collaboration between management and the Board, and oversee governance matters, while allowing our Chief Executive Officer to focus on his primary responsibility, the operational leadership and strategic direction of the Company. In addition to chairing the Board, Mr. Li is a member of the Audit and Compensation Committees.

Board independence and oversight of the senior management of the Company are enabled by the presence of independent directors who have a wide range of expertise and skills and have oversight over critical functions of the Company, such as the review of business development, evaluation and compensation of executive management, the nomination of directors. Our independent directors collectively provide additional strength and balance to our Board leadership structure.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers has served as a member of a compensation committee, or other committee serving an equivalent function, of any other entity whose executive officers serve as a director of the Company or member of the Company's compensation committee.

Family Relationships

There are no family relationships between any current executive officer or director of the Company.

ITEM 11 – EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Objectives

We operate in a highly competitive and rapidly changing industry. The key objectives of our executive compensation programs are to:

- attract, motivate and retain executives who drive our success and industry leadership; and provide executive officers, with a salary and/or stock award on the market value of that role, and
- the individual's demonstrated ability to perform that role.

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Stock Incentive Plans

The Board of Directors of the Company approved and adopted the Future FinTech Group Inc. 2024 Omnibus Equity Plan (the "2024 Equity Plan") on October 12, 2024, which was approved by the shareholders at the shareholders annual meeting on December 5, 2024, to provide equity awards to employees, directors and consultants of the Company (the "2024 Plan"). There are 5,000,000 shares of commons stock available for awards under 2024 Plan. On March 10, 2025, the Compensation Committee of the Board granted stock awards of 5,000,000 shares of common stock of the Company, pursuant to the Company's 2024 Omnibus Equity Plan, to sixteen officers and employees of the Company and its subsidiaries, including: 300,000 shares to Hu Li, Chief Executive Officer of the Company (All the share numbers stated here are before the 1 for 10 reverse stock split effected in April 1, 2025)

The Board of Directors of the Company approved and adopted the Future FinTech Group Inc. 2023 Omnibus Equity Plan (the "2023 Equity Plan") on October 12, 2023, which was approved by the shareholders at the shareholders annual meeting on December 5, 2023. The 2023 Equity Plan has a total of 5,000,000 shares of Common Stock. On December 23, 2023 (the "Grant Date"), the Compensation Committee of the Board of Directors (the "Board") of the Company granted stock awards of 2,890,000 shares of common stock of the Company, pursuant to the Company's 2023 Equity Plan, to sixteen officers and employees of the Company and its subsidiaries (the "Grantees"), including: 200,000 shares to Shanchun Huang, Chief Executive Officer and President of the Company, 40,000 shares to Peng Lei, Chief Operating Officer of the Company, and 30,000 shares to Hoo Lee, Corporate Secretary of the Company (collectively, the "Grants"). The Grants vested immediately on the Grant Date and each of the Grantees also entered into an Unrestricted Stock Award Agreement with the Company on December 23, 2023. On October 4, 2024, the Company granted the remaining 2,110,000 share under 2023 Omnibus Equity Plan to 4 employees of the Company and its subsidiaries. (All the share numbers stated here are before the 1 for 10 reverse stock split effected in April 1, 2025)

We believe that the future success of the Company depends, in large part, upon the ability of the Company to maintain a competitive position in attracting, retaining and motivating key personnel.

What Our Executive Compensation Program is Designed to Reward

Our executive compensation program is designed to reward each individually named executive officer's contribution to the advancement of our overall performance and execution of our goals, ideas and objectives. It is designed to reward and encourage exceptional performance at the individual level in the areas of organization, creativity and responsibility while supporting our core values and ambitions. This in turn aligns the interest of our executive officers with the interests of our shareholders, and thus with our interests.

Determining Executive Compensation

The Board's compensation committee reviews and approves the compensation for executive officers annually. The compensation committee considers the overall performance of the past year and the financial and operating plans for the upcoming year in determining the compensation for the executive officers.

A named executive officer's base salary is determined by an assessment of his/her sustained performance against individual job responsibilities, including, where appropriate, the impact of his/her performance on our business results, current salary in relation to the salary range designated for the job, experience and mastery, and potential for advancement. The compensation committee also annually reviews market compensation levels with comparable jobs in the industry to determine whether the total compensation for our officers remains in the targeted median pay range.

Role of Executive Officers in Determining Executive Compensation

The compensation committee determines the compensation for the CEO, which is based on various factors, such as level of responsibility and contributions to our performance. The CEO recommends the compensation for our executive officers (other than the compensation of the CEO) to the compensation committee. The compensation committee reviews the recommendations made by the CEO and determines the compensation of the CFO and the other executive officers.

Employment Agreements

We entered into an Employment Agreement with our CEO, Mr. Hu Li, on August 5, 2024 with a term of three year subject to renewal. Mr. Li receives compensation in the amount of \$7,000 per month and will be eligible for an annual cash and equity bonus in the Board's sole discretion.

On November 16, 2020, the Company entered into an employment agreement with Mr. Yang Liu as COO of the Company and the term of the agreement is for one (1) year, which has been renewed until November 16, 2023. The agreement provides that Mr. Liu receives compensation in the amount of \$1 per year. On July 27, 2023, Mr. Yang Liu resigned from his position as the COO of the Company, effective on July 28, 2023. On July 28, 2023, the Board of Directors of the Company appointed Mr. Peng Lei as the COO of the Company. In connection with his appointment as COO, the Company entered into an employment agreement (the "Agreement") with Mr. Peng Lei on August 1, 2023. The Agreement provides that Mr. Lei will receive compensation in the amount of \$50,000 per year before tax and the term of the Agreement is for one (1) year which was renewed until August 1, 2025.

On December 1, 2020, the Company entered into an employment agreement with Mr. Ming Yi as CFO of the Company and the term of the agreement is for one (1) year, which has been renewed until December 1, 2025. The agreement provides that Mr. Yi receives compensation in the amount of \$4,000 per month before tax.

Summary Compensation of Named Executive Officers

Our executive officers do not receive any compensation from the Company for also serving as directors of the Company. The following table sets forth information concerning cash and non-cash compensation paid by the Company to our named executive officers for the years ended December 31, 2024 and 2023.

Name and Principal Position	Year Ended	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Yongke Xue (1)	12/31/2023	\$ 4,683	-		-	-	-	-	\$ 4,683
Shanchun Huang (2)	12/31/2023	\$ 1		248,000	-	-	-	-	248,001
	12/31/2024	90,740			-	-	-		
		\$ 0	-		-	-	-		\$ 90,740
Ming Yi (3)	12/31/2023	44,276							
		\$ 6	-						\$ 44,276
	12/31/2024	47,180							
		\$ 0	-		-	-	-		\$ 47,180
Hu Li (4)	12/31/2024	49,389							
		\$ 9		\$					\$ 49,389
Peng Lei (5)	12/31/2023	51,213							100,813
		\$ 3		\$ 49,600					\$ 3
	12/31/2024	50,753							
		\$ 3							\$ 50,753

- (1) On March 4, 2020, Mr. Yongke Xue resigned as the CEO of the Company and on June 23, 2021, Mr. Xue was appointed as the president of the Company.. Mr. Yongke Xue passed away on November 24, 2023.

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- (2) On March 4, 2020, Mr. Shanchun Huang was appointed as the CEO of the Company. The compensation committee of the Board granted him a stock award for 200,000 shares of common stock of the Company under 2023 Equity Plan on December 23, 2023. Mr. Shanchun Huang was resigned as CEO and President of the Company on August 5, 2024.
- (3) On November 30, 2020, the Board of the Directors appointed Mr. Ming Yi as the CFO of the Company.
- (4) On August 5, 2024, Mr. Hu Li was appointed ad CEO and President of the Company.
- (5) Mr. Peng Lei served as general manager of Future Commercial Management Co., Ltd., a wholly owned subsidiary of the Company since July 2022 and was appointed as COO of the Company on July 28, 2023. On December 23, 2023, the compensation committee of the Board granted him a stock award of 40,000 shares of common stock of the Company under 2023 Equity Plan.

* All share granted before January 31, 2023 have been retroactively restated to reflect Reverse Stock Split effected on February 1, 2023 but not restated to reflect the 1 for 10 reverse split effected on April 1, 2025.

Outstanding Equity Awards at December 31, 2024

No outstanding equity awards held by named executive officers as of December 31, 2024.

Compensation of Directors

The following table sets forth information concerning cash and non-cash compensation paid by us to our directors during 2024.

Name	Fees Paid in Cash (\$)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Shanchun Huang(1)	\$ —	—	—	—	—	—	\$ —
Ying Li	\$ —	—	—	—	—	—	\$ —
	18,00						18,00
Fuyou Li (2)	\$ 0	—	—	—	—	—	\$ 0
	20,83						20,83
Johnson Lau (3)	\$ 3	—	—	—	—	—	\$ 3
Mingyong Hu (4)	\$ 3,000	—	—	—	—	—	—\$ 3,000
Hu Li (5)	\$ —	—	—	—	—	—	\$ ---
	25,00						25,00
Mingjie Zhao (6)	\$ 0	—	—	—	—	—	\$ 0

- (1) Mr. Shanchuan Huang resigned as Chief Executive Officer, President and Director of the Company on August 5, 2024.
- (2) On May 8, 2015, the Board appointed Mr. Fuyou Li as a member of the Board of Directors and a member of both the audit committee and compensation committee. Before June 30, 2021, Mr. Li was entitled for \$8,850 per annum as compensation for his service as director of the Company and a member of the audit committee and compensation committee. On June 23, 2021, the Board appointed Mr. Fuyou Li as the Chairman of the Board and his annual compensation increased to \$18,000 after June 30, 2021.
- (3) On December 23, 2014, the Board appointed Johnson Lau as a member of the Board of Directors of the Company and he served as the Chairman of Audit Committee and a member of Compensation Committee of the Board. Mr. Lau is entitled for \$25,000 per annum as compensation for his services as a director of the Company and chair of the audit committee and a member of compensation committee. Mr. Lau resigned as the member of the Board, Chairman of the Audit Committee and a member of Compensation Committee, effective on September 30, 2024.
- (4) Mr. Mingyong Hu was appointed as a member of the Board, Chairman of the Audit Committee and a member of Compensation Committee of the Board, effective immediately, to fill the vacancy following the resignation of Mr. Lau.
- (5) Mr. Hu Li was appointed as Chief Executive Officer, President and Director of the Company on August 5, 2024, following the resignation of Mr. Shanchun Huang.
- (6) On July 15, 2020, the Board appointed Mr. Mingjie Zhao as a member of the Board and Chairman of the Compensation Committee and a member of Audit Committee of the Board. Mr. Zhao is entitled for \$25,000 per

annum as compensation for his current services as a director of the Company and chair of the compensation committee and a member of audit committee.

ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management

The following table provides information concerning beneficial ownership of our capital stock as of April 11, 2025, by:

- each shareholder or group of affiliated shareholders who owns more than 5% of our outstanding capital stock;
- each of our named executive officers;
- each of our directors; and all of our directors and
- executive officers as a group.

The following table lists the number of shares and percentage of shares beneficially owned based on 3,050,770 shares of our Common Stock outstanding as of April 11, 2025. The Company effected a 1 for 10 reverse split on April 1, 2025.

Beneficial ownership is determined in accordance with the SEC rules, and generally includes voting power and/or investment power with respect to the securities held. Shares of Common Stock subject to options and warrants currently exercisable or exercisable within 60 days of April 11, 2025 or issuable upon conversion of convertible securities which are currently convertible or convertible within 60 days of April 11, 2025 are deemed outstanding and beneficially owned by the person holding those options, warrants or convertible securities for purposes of computing the number of shares and percentage of shares beneficially owned by that person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons or entities named have sole voting and investment power with respect to all shares of our Common Stock shown as beneficially owned by them.

Unless otherwise indicated in the footnotes, the principal address of each of the shareholders, named executive officers, and directors below is c/o Future FinTech Group, Inc., Americas Tower, 1177 Avenue of The Americas, Suite 5100, New York, NY 10036.

Shares Beneficially Owned

Name of Beneficial Owner	Number	Percent
Directors and Named Executive Officers		
Hu Li	30,000	*%
Ming Yi	2,400	*%
Ying Li	-	-
Mingjie Zhao	-	-
Peng Lei	14,940	*%
Fuyou Li	-	-
Mingyong Hu	-	-
All current directors and name executive officers as a group (8 persons)	47,340	1.5%
5% or Greater Shareholders		

Zeyao Xue (1)	385,287	12.6%
All 5% or Greater Shareholders	385,287	12.6%

* Less than 1%

- (1) Including 352,277 shares directly owned by Mr. Zeyao Xue and 33,011 shares indirectly and beneficially owned by Mr. Zeyao Xue, which consists of (i) 29,342 shares that are directly owned by Golden Dawn International Limited (“Golden Dawn”), a British Virgin Islands company and (ii) 3,668 shares that are directly owned by China Tianren Organic Food Holding (“China Tianren”). Mr. Zeyao Xue holds all of the issued and outstanding capital stock of Fancylight Limited, which is an indirect 100% owner of Golden Dawn and China Tianren. As such, Mr. Zeyao Xue holds the beneficial ownership of shares owned by Golden Dawn and China Tianren. The address of Zeyao Xue is No.3, Xijuyuan Xiang, Lianhu District, Xi’an City, Shaanxi Province, China.

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

For details of related party transactions, see Note 16 “Related Party Transaction” to our consolidated financial statements.

Director Independence

We currently have five directors. Three of our current directors, Messrs. Mingyong Hu, Fuyou Li and Mingjie Zhao, have been determined by our Board to be “independent directors” as defined under the rules of the NASDAQ Capital Market, constituting a majority of independent directors of the Board as required by the rules of the NASDAQ Capital Market.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees that we paid or accrued for audit and other services for fiscal years 2024 and 2023. All of the services described in the following fee table were approved in conformity with the audit committee’s pre-approval process.

Audit Fees

	2024	2023
Audit Fees	\$ 354,440	\$ 312,000
Tax Fees		—
All Other Fees	63,000	78,350
Total	<u>\$ 417,440</u>	<u>\$ 390,350</u>

Audit Fees

The amounts set forth opposite “Audit Fees” above reflect the aggregate fees billed or billable by auditors Fortune CPA Inc. (“Fortune CPA”) for the audit of our annual consolidated financial statements, review of quarterly financial information and audit services that are normally provided by the principal accountant in connection with regulatory filings or engagements.

Fortune CPA provided professional services for the audit of our fiscal years 2024 and 2023 financial statements and \$354,440 and \$312,000 were paid to Fortune CPA for audit of our fiscal years 2024 and 2023 financial statements, respectively.

All Other Fees

Our former auditor Onestop Assurance PAC (“Onestop Assurance”) provided professional services for the audit of our fiscal year 2022 financial statements and \$78,350 was paid in 2023 for review of our filings and Form S-8 and \$63,000 was paid for review of our 2023 annual report in 2024.

Tax Fees

The Board audit committee’s policy is to pre-approve all audit services and all non-audit services that our independent accountants are permitted to perform for us under applicable federal securities regulations. The audit committee’s policy utilizes an annual review and general pre-approval of certain categories of specified services that may be provided by the independent accountant, up to pre-determined fee levels. Any proposed services not qualifying as a pre-approved specified service, and pre-approved services exceeding the pre-determined fee levels, require further specific pre-approval by the audit committee. The audit committee has delegated to the Chairman of the audit committee the authority to pre-approve audit and non-audit services proposed to be performed by the independent accountants. Our audit committee was established in April 2008. All the services provided by our auditors in fiscal years 2024 were pre-approved by the audit committee.

Changes in Registrant’s Certified Accountant

On August 2, 2023, the Audit Committee of the Board of Directors of Future FinTech Group, Inc. (the “Company”) dismissed Onestop Assurance PAC (“Onestop Assurance”) as the Company’s independent registered public accounting firm, effective immediately.

Onestop Assurance’ audit reports on the Company’s consolidated financial statements as of and for the fiscal years ended December 31, 2022 and December 31, 2021 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, except that the audit reports on the consolidated financial statements of the Company for the fiscal years ended December 31, 2022 and December 31, 2021 contained an uncertainty about the Company’s ability to continue as a going concern.

During the Company’s two fiscal years of 2022 and 2021 and in the subsequent interim period through August 1, 2023, there were (i) no disagreements between the Company and Onestop Assurance on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Onestop Assurance, would have caused Onestop Assurance to make reference to the subject matter of the disagreement in their reports on the financial statements for such years, and (ii) no “reportable events” as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

On August 2, 2023, the Audit Committee of the Board of Directors of the Company approved the engagement of Fortune CPA, Inc. (“Fortune CPA”) as the Company’s independent registered public accounting firm, effective immediately. The Audit Committee also approved Fortune CPA to act as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2023.

During the Company’s two fiscal years of 2022 and 2021 and through August 1, 2023, neither the Company nor anyone on its behalf consulted Fortune CPA regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the consolidated financial statements of the Company; or (ii) any matter that was either the subject of a disagreement or a reportable event as described above; and there was neither a written report nor was oral advice provided to the Company by Fortune CPA that was an important factor considered by the Company in reaching a decision as to an accounting, auditing or financial reporting issue.

The Company reported its change in auditors in Current Report on Form 8-K, filed on August 8, 2023.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) FINANCIAL STATEMENTS:

The following documents are filed as part of or are included in this Annual Report:

1. Financial statements listed in the Index to Financial Statements, filed as part of this Annual Report beginning on page F-1; and
2. Exhibits

(b) EXHIBITS:

Exhibit Index

Exhibit Number	Description
2.1	<u>Share Exchange Agreement, dated as of February 22, 2008 by and among Pacific Industry Holding Group Co., Ltd., “Pacific,” Terrence Leong, SkyPeople Fruit Juice, Inc., the “Registrant,” and the shareholders of Pacific. Incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed with the Commission on February 28, 2008.</u>
3.1	<u>Second Amended and Restated Articles of Incorporation, dated June 6, 2017. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on June 9, 2017.</u>
3.2	<u>Certificate of Designations, Preferences and Rights of the Registrant’s Series A Convertible Preferred Stock. Incorporated by reference to Exhibit 3.1 to the Form 8-K filed with the Commission on February 28, 2008.</u>
3.3	<u>Certificate of Designations, Preferences, Rights and Limitations of the Registrant’s Series B Convertible Preferred Stock. Incorporated by reference to Exhibit 3.2 to the Form 8-K filed with the Commission on February 28, 2008.</u>
3.4	<u>Amended and Restated Bylaws, dated June 6, 2017. Incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed with the Commission on June 9, 2017.</u>
3.5	<u>Articles of Amendment to the Articles of Incorporation of the Registrant filed with the Department of State of Florida on March 10, 2016. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on March 15, 2016.</u>
3.6	<u>Articles of Amendment to the Articles of Incorporation of the Registrant filed with the Department of State of Florida on March 14, 2018. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on March 16, 2018.</u>
3.7	<u>Articles of Amendment to the Articles of Incorporation of the Registrant filed with the Department of State of Florida on March 18, 2021. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on March 23, 2021.</u>
3.8	<u>Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Registrant filed with Department of State of Florida on January 26, 2023. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on January 31, 2023.</u>
3.9	<u>Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Registrant filed with Department of State of Florida on April 1, 2025. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on April 1, 2025.</u>
4.1	<u>Form of Warrant. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the Commission on April 13, 2017.</u>
4.2	<u>Form of Placement Agent Warrant. Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the Commission on December 28, 2020.</u>
4.3	<u>Description of Securities of the Registrant registered under Section 12 of the Securities Exchange Act of 1934, as amended.*</u>

Exhibit Number	Description
10.1	<u>Indemnification Agreement. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on July 14, 2011.</u>
10.2	<u>Exclusive Operation and Use Rights Authorization Letter by Chain Cloud Mall Network and Technology (Tianjin) Co., Ltd., dated July 31, 2019. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.3	<u>Exclusive Technology Consulting and Service Agreement by and between Chain Cloud Mall Network and Technology (Tianjin) Co., Ltd. and Chain Cloud Mall E-commerce (Tianjin) Co., Ltd, dated July 31, 2019. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.4	<u>Exclusive Purchase Option Agreement by and among Chain Cloud Mall Network and Technology (Tianjin) Co., Ltd., Chain Cloud Mall E-commerce (Tianjin) Co., Ltd. Zeyao Xue and Kai Xu, dated July 31, 2019. Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.5	<u>Equity Pledge Agreement by and among by and among Chain Cloud Mall Network and Technology (Tianjin) Co., Ltd., Chain Cloud Mall E-commerce (Tianjin) Co., Ltd. and Zeyao Xue, dated July 31, 2019. Incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.6	<u>Equity Pledge Agreement by and among by and among Chain Cloud Mall Network and Technology (Tianjin) Co., Ltd., Chain Cloud Mall E-commerce (Tianjin) Co., Ltd. and Kai Xu, dated July 31, 2019. Incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.7	<u>Power of Attorney issued by Zeyao Xue, dated July 31, 2019. Incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.8	<u>Power of Attorney issued by Kai Xu, dated July 31, 2019. Incorporated by reference to Exhibit 10.7 to our Current Report on Form 8-K filed with the Commission on August 6, 2019.</u>
10.9	<u>Consulting Service Agreement by and between Future FinTech Group Inc. and Dragon Investment Holding Limited (Malta) dated January 25, 2020. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on January 29, 2020</u>
10.10	<u>Director Agreement by and between Future FinTech Group Inc. and Mingjie Zhao dated July 15, 2020. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on July 17, 2020.</u>

Exhibit Number	Description
10.11	<u>Share Purchase Agreement by and between FTFT UK Limited and Rahim Shah dated September 1, 2021. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on September 7, 2021.</u>
10.12	<u>Collateral Deed by and between FTFT UK Limited and Rahim Shah dated September 1, 2021. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on September 7, 2021.</u>
10.13	<u>FTFT North American Ohio Cryptocurrency Mining Farm Cooperation Agreement by and between Future FinTech Group Inc. and APC Service Ltd. dated December 13, 2021. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on December 17, 2021.</u>
10.14	<u>Form of Unrestricted Stock Award Agreement by and between Future FinTech Group Inc. and Grantees dated on July 12, 2022. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on July 15, 2022.</u>

10.15	<u>Share Transfer Agreement by and between Future FinTech (Hong Kong) Limited and Alpha Financial Limited dated February 27, 2023. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on March 1, 2023.</u>
10.16	<u>Employment Agreement by and between the Company and Peng Lei dated August 1, 2023. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on August 2, 2023.</u>
10.17	<u>Form of Unrestricted Stock Award Agreement by and between Future FinTech Group Inc. and Grantees dated on December 23, 2023. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on December 26, 2023.</u>
10.18	<u>Securities Purchase Agreement by and between Future FinTech Group, Inc. and Streeterville Capital, LLC, dated December 27, 2023. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on December 27, 2023.</u>
10.19	<u>Convertible Promissory Note, issued by Future FinTech Group, Inc. to Streeterville Capital, LLC, dated December 27, 2023. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on December 27, 2023.</u>
10.20	<u>Form of Securities Purchase Agreement dated January 5, 2024. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on January 8, 2024.</u>
10.21	<u>Amendment to Convertible Promissory Note dated February 11, 2024. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on February 14, 2024.</u>
10.22	<u>Employment Agreement by and between Future FinTech Group, Inc. and Mr. Hu Li, dated August 5, 2024. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on August 9, 2024.</u>
10.23	<u>Director Agreement by and Between the Company and Mingyong Hu dated October 1, 2024. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on October 4, 2024.</u>
10.24	<u>Stock Purchase Agreement by and among Future FinTech Group Inc., FTFT SuperComputing Inc. and DDMM Capital LLC dated on December 6, 2024. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on December 11, 2024.</u>
14.1	<u>Code of Business Conduct and Ethics Incorporated by reference to Exhibit 14.1 to our Annual Report on Form 10-K filed with the Commission on April 16, 2024.</u>
16.1	<u>Letter from Onestop Assurance PAC to SEC, dated August 8, 2023. Incorporated by reference to Exhibit 16.1 to our Current Report on Form 8-K filed with the Commission on August 10, 2023.</u>
19.1	<u>Insider Trading Policy Incorporated by reference to Exhibit 19.1 to our Annual Report on Form 10-K filed with the Commission on April 16, 2024.</u>
21.1	<u>Description of Subsidiaries of the Registrant*</u>
23.1	<u>Consent of Fortune CPA Inc.*</u>
31.1	<u>Rule 13a-14(a) Certification of Principal Executive Officer of Registrant*</u>
31.2	<u>Rule 13a-14(a) Certification of Principal Financial Officer of Registrant*</u>
32.1	<u>Section 1350 Certification of Principal Executive Officer of Registrant.†</u>
32.2	<u>Section 1350 Certification of Principal Financial Officer of Registrant.†</u>
97.1	<u>Clawback Policy Incorporated by reference to Exhibit 97.1 to our Annual Report on Form 10-K filed with the Commission on April 16, 2024.</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

† Furnished herewith

(c) Other Financial Statement Schedules - None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Future FinTech Group Inc.

April 15, 2025

By: /s/ Hu Li

Hu Li
Chief Executive Officer, President and
Director
(principal executive officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Hu Li and Ming Yi, and each of them, their attorneys-in-fact and agents, each with the power of substitution, for them in any and all capacities, to sign any and all amendments to this Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

Signature

<u>Name and Title</u>	<u>Date</u>
<u>/s/ Hu Li</u> Hu Li Chief Executive Officer, President and Director (principal executive officer and Director)	April 15, 2025
<u>/s/ Ming Yi</u> Ming Yi Chief Financial Officer (Principal Financial and Accounting Officer)	April 15, 2025
<u>/s/ Fuyou Li</u> Fuyou Li Chairman of the Board of Directors and Director	April 15, 2025
<u>/s/ Mingjie Zhao</u> Mingjie Zhao, Director	April 15, 2025
<u>/s/ Mingyong Hu</u> Mingyong Hu, Director	April 15, 2025
<u>/s/ Ying Li</u> Ying Li, Director	April 15, 2025

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Future FinTech Group Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Future FinTech Group Inc. (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of operation, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered losses from operations. Therefore, the Company has stated substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding

of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

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

Critical Audit Matters

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

Going Concern

As described further in Note 2 to the financial statements, the Company financial statements are prepared assuming that the Company will continue as a going concern.

We determined the Company's ability to continue as a going concern is a critical audit matter due to the estimation and uncertainty regarding the Company's future cash flows and the risk of bias in management's judgments and assumptions in estimating these cash flows.

Our audit procedures related to the Company's assertion on its ability to continue as a going concern included the following, among others:

We reviewed the Company's working capital and liquidity ratios, operating expenses, and uses and sources of cash used in management's assessment of whether the Company has sufficient liquidity to fund operations for at least one year from the financial statement issuance date. This testing included the inquiries with management, analyzing the subsequent company financial position, and consideration the positive and negative evidence impacting management's arrangements in place as of the report date.

/s/ Fortune CPA, Inc

We have served as the Company's auditor since 2023.

Orange, CA

April 15, 2025
PCAOB # 6901

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FUTURE FINTECH GROUP INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023*
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,842,741	\$ 17,412,865
Short - term investments	1,391	959,028
Accounts receivable, net	2,088,962	4,409,812
Advances to suppliers and other current assets	4,974,277	3,437,925
Loan receivables	7,094,764	14,895,086
Other receivables, net	1,694,752	7,589,038
Amount due from related parties	20,000	12,151
Assets related to discontinued operations	-	5,774,564
TOTAL CURRENT ASSETS	\$ 20,716,887	\$ 54,490,469
Property, plant and equipment, net	\$ 2,599,194	\$ 2,812,151
Right of use assets - operation lease	523,792	448,035
Intangible assets	532,822	588,982
Debt investment	1,530,243	-
Assets related to discontinued operation	-	2,601,113
TOTAL NON-CURRENT ASSETS	\$ 5,186,051	\$ 6,450,281
TOTAL ASSETS	\$ 25,902,938	\$ 60,940,750
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 2,219,301	\$ 3,301,715
Accrued expenses and other payables	9,938,495	11,115,595
Advances from customers	30,559	303,711
Convertible notes payables	553,086	1,100,723
Lease liability - operation lease	334,017	353,268
Amounts due to related parties	37,907	103,530
Liability related to discontinued operation	-	1,449,820
TOTAL CURRENT LIABILITIES	\$ 13,113,365	\$ 17,728,362
NON-CURRENT LIABILITIES		
Lease liability - operation lease	192,754	106,525
Liability related to discontinued operation	\$ -	\$ 690,819
TOTAL NON-CURRENT LIABILITIES	192,754	797,344
TOTAL LIABILITIES	\$ 13,306,119	\$ 18,525,706
Commitments and contingencies (Note 23)		
STOCKHOLDERS' EQUITY		
Future FinTech Group, Inc, Stockholders' equity		
Common stock, \$0.001 par value; 60,000,000 shares authorized; 24,470,844 shares and 17,834,874 shares issued and outstanding as of December 31, 2024 and December 31, 2023 respectively*	\$ 24,470	\$ 17,835
Additional paid-in capital	237,474,153	233,890,997
Statutory reserve	98,357	98,357
Accumulated deficit	(218,885,534)	(185,929,662)
Accumulated other comprehensive loss	(4,248,561)	(4,094,276)
Total Future FinTech Group, Inc. stockholders' equity	14,462,885	43,983,251
Non-controlling interests	(1,866,066)	(1,568,207)

Total stockholders' equity	12,596,819	42,415,044
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 25,902,938	\$ 60,940,750

* all shares and per share data have been retroactively restated to reflect reverse stock split effected on February 1, 2023.

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

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FUTURE FINTECH GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	For the Years Ended,	
	2024	2023*
Revenue	\$ 2,158,125	\$ 21,697,205
Cost	886,108	20,575,600
Gross profit	1,272,017	1,121,605
Operating Expenses		
General and administrative expenses	6,212,895	7,243,721
Research and development expenses	312,865	340,408
Stock-based compensation	670,980	3,468,000
Selling expenses	635,918	288,314
Provision (Recovery) of doubtful debts	27,350,439	(787,868)
Impairment loss	-	14,160,931
Total operating expenses	35,183,097	24,713,506
Loss from operations	(33,911,080)	(23,591,901)
Other (expenses) income		
Interest income	1,105,674	1,314,230
Interest expenses	(108,454)	(892)
Other (expenses) income, net	(1,319,982)	(10,541,007)
Total other expenses, net	(322,762)	(9,227,669)
Loss from Continuing Operations before Income Tax	(34,233,842)	(32,819,570)
Income tax provision	-	-
Deferred income tax	-	(7,833)
Loss from Continuing Operations	(34,233,842)	(32,827,403)
Discontinued Operations (Note 21)		
Loss from discontinued operations	-	(1,574,978)
Gain on disposal of discontinued operations	1,054,155	386,482
Net Loss	\$(33,179,687)	\$(34,015,899)
Less: Net Loss attributable to non-controlling interests of discontinued operations	(190,840)	(108,046)
Less: Net Loss attributable to non-controlling interests of continued operations	(32,975)	(254,625)
Net loss attributable to Future Fintech Group Inc.	\$(32,955,872)	\$(33,653,228)
Other comprehensive income (loss)		
Loss from continued operations	\$(34,233,842)	\$(32,827,403)
Foreign currency translation – continued operations	(154,285)	(494,786)

Comprehensive loss - continued operation	(34,388,127)	(33,322,189)
Gain (Loss) from discontinued operations	\$ 1,054,155	\$ (1,188,496)
Foreign currency translation - discontinued operation	114,723	23,515
Comprehensive income (loss) - discontinued operation	<u>1,168,878</u>	<u>(1,164,981)</u>
Comprehensive Loss	<u>\$(33,219,249)</u>	<u>\$(34,487,170)</u>
Less: Net loss attributable to non-controlling interests of continued operations	(32,975)	(254,625)
Less: Net loss attributable to non-controlling interests of discontinued operations	(190,840)	(108,046)
COMPREHENSIVE LOSS ATTRIBUTABLE TO FUTURE FINTECH GROUP INC. STOCKHOLDERS	<u><u>\$(32,995,434)</u></u>	<u><u>(34,124,499)</u></u>
Earnings (loss) per share:		
Basic loss per share from continued operation	\$ (1.63)	\$ (2.21)
Basic earnings (loss) per share from discontinued operation	0.06	(0.07)
	<u><u>\$(1.57)</u></u>	<u><u>\$(2.28)</u></u>
Diluted Earnings (loss) per share:		
Diluted loss per share	\$ (1.63)	\$ (2.20)
Diluted earnings (loss) per share from discontinued operation	0.06	(0.07)
	<u><u>\$(1.57)</u></u>	<u><u>\$(2.27)</u></u>
Weighted average number of shares outstanding		
Basic	20,928,073	14,746,726
Diluted	20,970,181	14,788,834

* Reclassification- certain reclassifications have been made to the financial statements for the period ended December 31, 2023 to conform to the presentation for the period ended December 31, 2024, with no effect on previously reported net income (loss).

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

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FUTURE FINTECH GROUP INC. **CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Common Stock		Additional	Statutor	Accumulate	Accumulativ e Other comprehensi ve	Non- controllin g	
	Shares	Amount	paid-in capital	y reserve	d Deficits	income	interests	Total
Balance at December 31, 2022	14,645,653	\$ 14,646	\$ 222,751,657	\$ 98,357	\$(152,276,434)	\$(3,623,005)	\$(1,279,580)	\$ 65,685,641
Issuance of common stocks-non cash	299,221	299	7,387,398	-	-	-	-	7,387,697)
Net loss from continued operation	-	-	-	-	\$(32,572,778)	-	\$(254,625)	\$(32,827,403)
Net loss from discontinued operations	-	-	-	-	\$(1,466,932)	-	\$(108,046)	\$(1,574,978)

Contribution by non-controlling interests	-	-	286,832	-	-	-	74,044	360,876
Share-based payments-omnibus equity plan	2,890,000	2,890	3,465,110	-	-	-	-	3,468,000
Disposition of Discontinued operation	-	-	-	-	386,482	23,515	-	409,997
Foreign currency translation adjustment	-	-	-	-	-	(494,786)	-	(494,786)
Balance at December 31, 2023	<u>17,834,874</u>	<u>\$ 17,835</u>	<u>233,890,997</u>	<u>\$ 98,357</u>	<u>(185,929,662)</u>	<u>(4,094,276)</u>	<u>(1,568,207)</u>	<u>42,415,044</u>
Issuance of common stocks-conversion of debt	2,375,434	2,375	622,625	-	-	-	-	625,000
Issuance of common stocks-cash	2,150,536	2,150	2,578,493	-	-	-	-	2,580,643
Net loss from continued operation	-	-	-	-	(34,200,867)	-	(32,975)	(34,233,842)
Share-based payments-omnibus equity plan	2,110,000	2,110	668,870	-	-	-	-	670,980
Disposition of Discontinued operation	-	-	(286,831)	-	1,244,995	114,723	(264,884)	808,002
Foreign currency translation adjustment	-	-	-	-	-	(269,008)	-	(269,008)
Balance at December 31, 2024	<u>24,470,844</u>	<u>\$ 24,470</u>	<u>237,474,153</u>	<u>\$ 98,357</u>	<u>(218,885,534)</u>	<u>(4,248,561)</u>	<u>(1,866,066)</u>	<u>12,596,819</u>

All shares and per share data have been retroactively restated to reflect reverse stock split effected on February 1, 2023.

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

	For the Year Ended	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$(33,179,687)	\$(34,015,899)
Net income (loss) from discontinued operation	1,054,155	(1,188,496)
Net loss from continuing operations	(34,233,842)	(32,827,403)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	209,254	201,363
Amortization	57,035	57,035
Provision (Recovery) of doubtful debts	27,350,439	(716,914)
Impairment of goodwill	-	14,148,298
Impairment of short term investment	9,315	12,633
Interest expenses related to convertible note	77,363	-
Share-based payments	670,980	3,468,000
Changes in operating assets and liabilities		
Accounts receivable	2,637,772	5,564,429
Other receivables	(10,366,870)	(7,312,243)
Advances to suppliers and other current assets	(5,106,927)	1,219,839
Operating lease assets and liabilities	(8,779)	11,757
Accounts payable	(1,082,414)	(4,407,094)
Accrued expenses	(1,177,100)	6,946,335
Advances from customers	(273,152)	(929,882)
Net cash used in operating activities – continued operations	(21,236,926)	(14,563,847)
Net cash provided by (used in) operating activities – discontinued operations	10,093,999	(24,066)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(34,056)	(65,653)
Disposal of property and equipment	230,738	32,490
Additions to loan receivables	(421,249)	(9,966,830)
Repayment of loan receivable	280,833	14,107,063
Payment for Short term Investment	946,669	-
Increase of financial products	(1,391)	-
Debt investment	(1,530,243)	-
Acquisition of a subsidiary, net of cash	-	4,679,434
Disposal of a subsidiary, net of cash	(1,101,201)	(5,993)
Net cash (used in) provided by investing activities from continued operations	(1,629,900)	8,780,511
Net cash used in investing activities from discontinued operations	(2,064,479)	(745,440)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of common stock, net of issuance costs	2,580,643	-
Notes payable		(3,589,582)
Proceeds from amounts due from related parties, net	166,766	83,055
Repayment of amounts due to related parties, net	(240,238)	-
Proceeds from secured convertible promissory note	-	1,100,723
Net cash provided by (used in) financing activities from continued operations	2,507,171	(2,405,804)
Net cash provided by financing activities from discontinued operations	-	582,056
Effect of change in exchange rate	(239,989)	(188,642)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(12,570,124)	(8,565,232)
Cash and cash equivalents, from the continuing operations beginning of year	17,412,865	27,597,510
Cash and restricted cash at end of year	4,842,741	19,032,278
Less: Cash and cash equivalents from the discontinued operations, end of year	-	(1,619,413)
Cash and cash equivalents, from the continuing operations end of year	4,842,741	17,412,865

SUPPLEMENTARY DISCLOSURE OF SIGNIFICANT NON-CASH TRANSACTION

Conversion of debt	625,000	-
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid	\$ -	\$ 510,838
Interest paid	<u>108,454</u>	<u>-</u>

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

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**FUTURE FINTECH GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

1. CORPORATE INFORMATION

Future FinTech Group Inc. (the “Company”) is a holding company incorporated under the laws of the State of Florida. The Company historically engaged in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in the PRC. Due to drastically increased production costs and tightened environmental laws in China, the Company had transformed its business from fruit juice manufacturing and distribution to financial technology related service businesses. The main business of the Company includes supply chain financing services and trading in China, asset management business in Hong Kong and cross-border money transfer service in UK. The Company also expanded into brokerage and investment banking business in Hong Kong and cryptocurrency mining farm in the U.S. The Company had a contractual arrangements with a VIE E-Commerce Tianjin in China, which has generated minimal revenue and business since 2021 due to the negative impact caused by COVID-19. The Company started the process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

On February 27, 2023, Future FinTech (Hong Kong) Limited (“Buyer”), a company incorporated in Hong Kong and a wholly owned subsidiary of Future FinTech Group Inc. (the “Company”) entered into a Share Transfer Agreement (the “Agreement”) with Alpha Financial Limited, a company incorporated in Hong Kong (“Seller”) and sole owner and shareholder of Alpha International Securities (Hong Kong) Limited, a company incorporated in Hong Kong (“Alpha HK”) and Alpha Information Service (Shenzhen) Co., Ltd., a company incorporated in China (“Alpha SZ”). Alpha HK holds Type 1 ‘Securities Trading’, Type 2 ‘Futures Contract Trading’ and Type 4 ‘Securities Consulting’ financial licenses issued by the Hong Kong Securities and Futures Commission. Alpha SZ provides technical support services to Alpha HK. The share transfer transaction was approved by the Securities and Futures Commission of Hong Kong (“SFC”) in August 2023 and the acquisition was closed on November 7, 2023. The names of the two entities were subsequently changed to ‘FTFT International Securities and Futures Limited’ and ‘FTFT Information Services (Shenzhen) Co. Ltd.’, respectively.

On October 30, 2023, Future FinTech (Hong Kong) Limited, a wholly owned subsidiary of the Company acquired 100% equity interest of Alpha International Securities (HONG KONG) Limited a company incorporated in Hong Kong for \$1,791,174 (HKD 14,010,421), which is in the securities business. The Company has changed its name from Alpha International Securities (HONG KONG) Limited to FTFT International Securities and Futures Limited on November 1, 2023.

On October 30, 2023, Future FinTech (Hong Kong) Limited, a wholly owned subsidiary of the Company acquired 100% equity interest of Alpha Information Services (Shenzhen) Co., Ltd for \$210,788 (HKD 1,649,528), which provides information services for FTFT International Securities and Futures Limited. The Company has changed its name from Alpha Information Services (Shenzhen) Co., Ltd to Future information service (Shenzhen) Co., Ltd on November 3, 2023.

The Company's business and operations are principally conducted by its subsidiaries in the PRC, Hong Kong and UK.

On January 26, 2023, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment, the Company has authorized and approved a 1-for-5 reverse stock split of the Company's authorized shares of common stock from 300,000,000 shares to 60,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). The common stock will continue to be \$0.001 par value. The Company rounds up to the next full share of the Company's shares of common stock any fractional shares that result from the Reverse Stock Split and no fractional shares is issued in connection with the Reverse Stock Split and no cash or other consideration is paid in connection with any fractional shares that would otherwise have resulted from the Reverse Stock Split. No changes are being made to the number of preferred shares of the Company which remain as 10,000,000 preferred shares as authorized but not issued. The amendment to the Articles of Incorporation of the Company took effect on February 1, 2023. The Reverse Stock Split and Amendment were authorized and approved by the Board of Directors of the Company without shareholders' approval, pursuant to 607.10025 of the Florida Business Corporation Act of the State of Florida.

The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

The reverse stock split would be reflected in our December 31, 2024 and December 31, 2023 statements of changes in stockholders' equity, and in per share data for all periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and principle of consolidation

These consolidated financial statements ("financial statements") have been prepared in conformity with accounting principles generally accepted in the United States of America, or US GAAP.

The Company's functional currency of subsidiaries in China is the Chinese Renminbi (RMB). Other subsidiaries outside of China use U.S. Dollar (USD), Hong Kong Dollar (HKD), Great Britain Pound ("GBP") and AED (United Arab Emirates Dirham) as the functional currency; however, the accompanying consolidated financial statements have been translated and presented in USD.

According to US GAAP Accounting Standard Codification ("ASC") 810-10-15-8, for legal entities other than limited partnerships, the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree.

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

Discontinued Operations

On June 16, 2023, QR (HK) Limited was dissolved and deregistered.

On December 5, 2023, FTFT PARAGUAY S.A. was dissolved.

On March 7, 2024, Chain Cloud Mall Network and Technology (Tianjin) Co., Limited was dissolved and deregistered. The loss on disposal was \$ 45,487.54.

On September 4, 2024, Tianjin Future Private Equity Fund Management Partnership (Ltd Partnership) was dissolved and deregistered. The loss on disposal was \$22.46.

On October 18, 2024, Nice Talent Asset Management Limited (“NTAM”) was disposed of for a consideration of US\$ 0.31 million (HK\$2.40 million). The loss on disposal was \$2.32 million.

On December 6, 2024, FTFT Super Computing Inc. was disposed of for a consideration of US\$1.97 million, of which (i) the assumption of the obligations of FTFT Super Computing totaling \$973,072.24 and (ii) \$1,000,000 was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York. The gain on disposal was \$3.42 million.

Based on the disposal plan and in accordance with ASC 205-20, the Company presented the operating results from these operations as a discontinued operation.

Segment Information Reclassification

The Company classified business segment into asset management service, supply chain financing and trading, and others.

Uses of Estimates in the Preparation of Financial Statements

The Company’s consolidated financial statements have been prepared in accordance with US GAAP and this requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include, but not limited to, the allowance for doubtful accounts receivable, estimated useful life and residual value of property, plant and equipment, impairment of long-lived assets, provision for staff benefit, recognition and measurement of deferred income taxes and valuation allowance for deferred tax assets. Although these estimates are based on management’s knowledge of current events and actions management may undertake in the future, actual results may ultimately differ from those estimates and such differences may be material to our consolidated financial statements.

Going Concern

The Company’s financial statements are prepared assuming that the Company will continue as a going concern.

The Company incurred operating losses and had negative operating cash flows and may continue to incur operating losses and generate negative cash flows as the Company implements its future business plan. The Company’s operating losses amounted \$36.62 million, and it had negative operating cash flows amounted \$21.24 million as of December 31, 2024. These factors raise substantial doubts about the Company’s ability to continue as a going concern. The Company has raised funds through issuance of convertible notes and common stock.

The Company had net working capital of \$7.60 million. The Company had current liabilities of \$13.11 million which is expected to get repaid within twelve months. As of December 31, 2024, the Company had cash of \$4.84 million,

accounts receivable of \$2.09 million and loan receivables of \$7.09 million, which were expected to be liquid and used to repay the liabilities. As such, the Company believed it had sufficient cash to settle the liabilities within the next 12 months.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully execute its new business strategy and eventually attain profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Research and development

Research and development expenses include salaries, contracted services, as well as the related expenses for our research and product development team, and expenditures relating to our efforts to develop, design, and enhance our service to our clients. The Company expenses research and development costs as they are incurred.

Impairment of Long-Lived Assets

In accordance with the ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, or it is reasonably possible that these assets could become impaired as a result of technological or other industrial changes. The determination of recoverability of assets to be held and used is made by comparing the carrying amount of an asset to future undiscounted cash flows to be generated by the assets.

If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

Fair Value of Financial Instruments

The Company has adopted FASB ASC Topic on Fair Value Measurements and Disclosures (“ASC 820”), which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 establishes a three-level valuation hierarchy of valuation techniques based on observable and unobservable input, which may be used to measure fair value and include the following:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Input other than Level 1 that is observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other input that is observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable input that is supported by little or no market activity and that is significant to the fair value of the assets or liabilities.

Our cash and cash equivalents and restricted cash and short-term investments are classified within level 1 of the fair value hierarchy because they are valued using quoted market price.

Earnings (Loss) Per Share

Under ASC 260-10, *Earnings Per Share*, basic EPS excludes dilution for Common Stock equivalents and is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of Common Stock outstanding for the period.

Diluted EPS is calculated by using the treasury stock method, assuming conversion of all potentially dilutive securities, such as stock options and warrants. Under this method, (i) exercise of options and warrants is assumed at the beginning of the period and shares of Common Stock are assumed to be issued, (ii) the proceeds from exercise are assumed to be used to purchase Common Stock at the average market price during the period, and (iii) the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted EPS computation. The numerators and denominators used in the computations of basic and diluted EPS are presented in the following table.

For the year ended December 31, 2024:

	<u>Income</u>	<u>Share</u>	<u>Pre-share amount</u>
Loss from continued operations attributable to Future Fintech Group, Inc.	\$(34,200,867)	20,928,073	\$ (1.63)
Income from discontinued operations attributable to Future Fintech Group, Inc.	\$ 1,244,995	20,928,073	\$ 0.06
Basic EPS:			
Loss to common stockholders from continuing operations	<u>\$(34,200,867)</u>	<u>20,928,073</u>	<u>\$ (1.63)</u>
Income available to common stockholders from discontinued operations	<u>\$ 1,244,995</u>	<u>20,928,073</u>	<u>\$ 0.06</u>
Dilutive EPS:			
Warrants	-	42,108	-
Diluted earnings per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding. Diluted net loss per share equals basic net loss per share because the effect of securities convertible into common shares is anti-dilutive from continued operations attributable to Future Fintech Group, Inc.	<u>\$(34,200,867)</u>	<u>20,970,181</u>	<u>\$ (1.63)</u>
Diluted earnings per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding from discontinued operations	<u>\$ 1,244,995</u>	<u>20,970,181</u>	<u>\$ 0.06</u>

For the year ended December 31, 2023:

	<u>Income</u>	<u>Share</u>	<u>Pre-share amount</u>
Loss from continued operations attributable to Future Fintech Group, Inc.	\$(32,572,778)	14,746,726	\$ (2.21)
Loss from discontinued operations attributable to Future Fintech Group, Inc.	\$ (1,080,450)	14,746,726	\$ (0.07)
Basic EPS:			
Loss to common stockholders from continuing operations	<u>\$(32,572,778)</u>	<u>14,746,726</u>	<u>\$ (2.21)</u>
Loss available to common stockholders from discontinued operations	<u>\$ (1,080,450)</u>	<u>14,746,726</u>	<u>\$ (0.07)</u>
Dilutive EPS:			
Warrants before 1-for-5 reverse stock split	-	210,526	-
Warrants after 1-for-5 reverse stock split	-	42,108	-
Diluted loss per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding. Diluted net loss per share equals basic net loss per share because the effect of securities	<u>\$(32,572,778)</u>	<u>14,788,834</u>	<u>\$ (2.20)</u>

convertible into common shares is anti-dilutive from continued operations attributable to Future Fintech Group, Inc.

Diluted loss per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding from discontinued operations	\$ (1,080,450)	14,788,834	\$ (0.07)
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Cash, cash equivalents and restricted cash

Cash and cash equivalents included cash on hand and demand deposits placed with banks or other financial institutions, which are unrestricted as to withdrawal and use and with an original maturity of three months or less.

Deposits in banks in the PRC are only insured by the government up to RMB500,000, in the HK are only insured by the government up to HKD 500,000, in the United Kingdom are only insured by the government up to GBP18,000, in the United States of America are only insured by the Federal Deposit Insurance Corporation up to USD 250,000, and are consequently exposed to risk of loss.

The Company believes the probability of a bank failure, causing loss to the Company, is remote.

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

Receivable and Allowances

Accounts receivable are recognized and carried at the original invoice amounts less an allowance for any uncollectible amount. We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable credit losses in our existing accounts receivable. We perform ongoing credit evaluations of our customers and maintain an allowance for potential bad debts if required.

Other receivables, and loan receivables are recognized and carried at the initial amount when occurred less an allowance for any uncollectible amount. We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable impairment losses in our existing receivable.

Allowances for doubtful accounts are maintained for expected credit losses resulting from the Company's customers' inability to make required payments. The allowances are based on the Company's regular assessment of various factors, including the credit-worthiness and financial condition of specific customers, historical experience with bad debts and customer deductions, receivables aging, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company's ability to collect from customers. The Company maintains an allowance for credit losses in accordance with ASC Topic 326, Credit Losses ("ASC 326") and records the allowance for credit losses as an offset to accounts receivable and contract assets, and the estimated credit losses charged to the allowance is classified as "bad debt expense" in the consolidated statements of comprehensive income. We determine whether an allowance for doubtful accounts is required by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations. In these cases, we use assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. We may also record a general allowance as necessary.

Direct write-offs are taken in the period when we have exhausted our efforts to collect overdue and unpaid receivable or otherwise evaluate other circumstances that indicate that we should abandon such efforts.

The Company has assessed its receivable including credit term and corresponding all its receivables in December 2024. Upon such credit terms, bad debt expense was \$27.35 million and \$(787,868) during the years ended December 31, 2024 and 2023, respectively. Accounts receivables of \$1.15 million and nil have been outstanding for over 90 days as of December 31, 2024 and December 31, 2023, respectively.

Revenue Recognition

We apply the five steps defined under ASC 606: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We assess its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate distinct goods or services. We allocate the transaction price to each performance obligation based on the relative standalone selling price of the goods or services provided. Revenue is recognized upon the transfer of control of promised goods or services to a customer. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products or services are transferred to its customers.

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We do not make any significant judgment in evaluating when control is transferred. Revenue is recorded net of value-added tax.

Revenue recognitions are as follows:

Sales of coals, aluminum ingots, sand and steel

The Company recognize revenue when the receipt of merchandise is confirmed by the customers, which is the point that the title of the goods is transferred to the customer. Revenue was \$0.83 million and \$20.44 million during the year ended December 31, 2024 and 2023, respectively.

Sales agent services of coals, aluminum ingots, sand and steel

For the sale of third-party products where the Company obtains control of the product before transferring it to the customer, the Company recognizes revenue based on the gross revenue amount billed to customers as sales of goods listed above. The Company considers multiple factors when determining whether it obtains control of third-party products, including evaluating if it can establish the price of the product, retains inventory risk for tangible products or has the responsibility for ensuring acceptability of the product. The Company recognizes net revenue as agent services for the sales of coals, aluminum ingots, sand and steel when no control obtained throughout the transactions. Revenue was \$0.15 million and \$0.33 million during the year ended December 31, 2024 and 2023, respectively.

Brokerage service

Daily Bargain Detail Report will be submitted to accountant each day, and accountant posts commission based on received settlement report.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is computed using the straight-line method over the useful lives of the assets. Major renewals and betterments are capitalized and depreciated; maintenance and repairs that do not extend the life of the respective assets are expensed as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in the consolidated statements of operations and comprehensive income.

Depreciation related to property, plant and equipment used in production is reported in cost of sales, and includes amortized amounts related to capital leases. We estimated that the residual value of the Company's property and equipment ranges from 3% to 5%. Property, plant and equipment are depreciated over their estimated useful lives as follows:

Building	30 years
Machinery and equipment	5-10 years
Furniture and office equipment	3-5 years
Motor vehicles	5 years

Intangible Assets

Acquired intangible assets are recognized based on their cost to the Company, which generally includes the transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets' carrying amounts on the Company's book. These assets are amortized over their useful lives if the assets are deemed to have a finite life and they are reviewed for impairment by testing for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The fair value of an intangible asset is the amount that would be determined if the entity used the assumptions that market participants would use if they were pricing the intangible asset. The useful life of the Company's intangible assets is five - ten years, which is determined by using the time period that an intangible is estimated to contribute directly or indirectly to a Company's future cash flows.

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Foreign Currency and Other Comprehensive Income (Loss)

The financial statements of the Company's foreign subsidiaries are measured using the local currency as the functional currency; however, the reporting currency of the Company is the USD. Assets and liabilities of the Company's foreign subsidiaries have been translated into USD using the exchange rate at the balance sheet dates, while equity accounts are translated using historical exchange rate. The exchange rate we used to convert RMB to USD was 7.19:1 and 7.08:1 at the balance sheet dates of December 31, 2024 and December 31, 2023, respectively. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates we used to convert RMB to USD were 7.12:1 and 7.05:1 for fiscal year 2024 and fiscal year 2023, respectively.

The exchange rate we used to convert HKD to USD was 7.76:1 and 7.82:1 at the balance sheet dates of December 31, 2024 and December 31, 2023. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates we used to convert HKD to USD were 7.80:1 and 7.83:1 for fiscal year 2024 and fiscal year 2023.

The exchange rate we used to convert GBP to USD was 0.79:1 and 0.78:1 at the balance sheet dates of December 31, 2024 and December 31, 2023. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates we used to convert GBP to USD were 0.78:1 and 0.80:1 for fiscal year 2024 and fiscal year 2023.

The exchange rate we used to convert AED to USD was 3.65:1 and 3.66:1 at the balance sheet dates of December 31, 2024 and December 31, 2023. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates we used to convert AED to USD were 3.66:1 and 3.66:1 for fiscal year 2024 and fiscal year 2023.

Translation adjustments are reported separately and accumulated in a separate component of equity (cumulative translation adjustment).

Government subsidies

Government subsidies primarily consist of financial subsidies received from provincial and local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. For certain government subsidies, there are no defined rules and regulations to govern the criteria necessary for companies to receive such benefits, and the amount of financial subsidy is determined at the discretion of the relevant government authorities. The government subsidies of operating nature with no further conditions to be met are recorded of operating expenses in “Other income” in the consolidated statements when received.

The amendments in this update require disclosures about transactions with a government that have been accounted for by analogizing to a grant or contribution accounting model to increase transparency about (1) the types of transactions, (2) the accounting for the transactions, and (3) the effect of the transactions on an entity’s financial statements.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, “Income Taxes.” Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity’s financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740-10-30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740-10-25 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

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Goodwill

The Company tests goodwill for impairment for its reporting units on an annual basis, or when events occur or circumstances indicate the fair value of a reporting unit is below its carrying value. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that implied fair value of the goodwill within the reporting unit is less than its carrying value.

The Company’s evaluation of goodwill for impairment involves the comparison of the fair value of the reporting unit to its carrying value. The Company uses the discounted cash flow model to estimate fair value, which requires management to make significant estimates and assumptions related to forecasts of future revenue and operating margin. In addition, the discounted cash flow model requires the Company to select an appropriate weighted average cost of capital based on current market conditions as of December 31, 2024 and December 31, 2023. A high degree of auditor judgment and an increased extent of effort were required when performing audit procedures to evaluate the reasonableness of management’s estimates and assumptions related to the forecasts. Based upon the assessment, the Company has concluded that goodwill is nil as of December 31, 2024 and December 31, 2023.

Short-term investments

Short-term investments consist primarily of investments in fixed deposits with original maturities between three months and one year and certain investments in wealth management products and other investments that the Company has the intention to redeem within one year. Fair valued or carried at amortized costs. As of December 31, 2024 and December 31, 2023, the short-term investments amounted to \$1,391 and \$0.96 million, respectively. Due to

fluctuations of the quoted shares included in its investment portfolios, the Company recognized an impairment to the investment portfolio of \$12,633 in 2023.

Long-term investments

Long-term investments consist primarily of investments in debt investment with original maturities between three years and more. Fair valued or carried at amortized costs. As of December 31, 2024 and December 31, 2023, the long-term investments amounted to \$1.83 million and nil, respectively. Due to the Company has received repayment \$0.25 million (RMB1,800,000) debt investment, the Company did not recognize an impairment.

Lease

We adopted ASU No. 2016-02, Leases (Topic 842), or ASC 842, from January 1, 2020. We determine if an arrangement is a lease or contains a lease at lease inception. For operating leases, we recognize a right-of-use (“ROU”) asset and a lease liability based on the present value of the lease payments over the lease term on the consolidated balance sheets at commencement date. As most of our leases do not provide an implicit rate, we estimate our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The ROU assets also include any lease payments made, net of lease incentives. Lease expense is recorded on a straight-line basis over the lease term. Our leases often include options to extend and lease terms include such extended terms when we are reasonably certain to exercise those options. Lease terms also include periods covered by options to terminate the leases when we are reasonably certain not to exercise those options.

Share-based compensation

The Company awards share options and other equity-based instruments to its employees, directors and consultants (collectively “share-based payments”). Compensation cost related to such awards is measured based on the fair value of the instrument on the grant date. The Company recognizes the compensation cost over the period the employee is required to provide service in exchange for the award, which generally is the vesting period. The amount of cost recognized is adjusted to reflect the expected forfeiture prior to vesting. When no future services are required to be performed by the employee in exchange for an award of equity instruments, and if such award does not contain a performance or market condition, the cost of the award is expensed on the grant date. The Company recognizes compensation cost for an award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for the entire award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date.

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Statutory reserves

Pursuant to the laws applicable to the PRC, PRC entities must make appropriations from after-tax profit to the non-distributable “statutory surplus reserve fund”. Subject to certain cumulative limits, the “statutory surplus reserve fund” requires annual appropriations of 10% of after-tax profit until the aggregated appropriations reach 50% of the registered capital (as determined under accounting principles generally accepted in the PRC (“PRC GAAP”) at each year-end). For foreign invested enterprises and joint ventures in the PRC, annual appropriations should be made to the “reserve fund”. For foreign invested enterprises, the annual appropriation for the “reserve fund” cannot be less than 10% of after-tax profits until the aggregated appropriations reach 50% of the registered capital (as determined under PRC GAAP at each year-end).

New Accounting Pronouncements

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures.” This ASU expands required public entities’ segment disclosures, including disclosure of

significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. ASU 2023 07 is applied retrospectively to all periods presented in financial statements, unless it is impracticable. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company adopted this guidance effective July 1, 2024 and the adoption of this ASU is not expected to have a material impact on its financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". This ASU requires additional quantitative and qualitative income tax disclosures to enable financial statements users better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The ASU is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted and can be applied on either a prospective or retroactive basis. The Company plans to adopt this guidance effective July 1, 2025 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on the accompanying consolidated financial statements.

3. ACCOUNTS RECEIVABLE

Accounts receivable, net consist of the following:

	December 31, 2024	December 31, 2023
Supply Chain Financing/Trading	\$ 2,038,730	\$ 3,251,822
Others	50,232	1,157,990
Total accounts receivable, net	<u>\$ 2,088,962</u>	<u>\$ 4,409,812</u>

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The following table sets forth our concentration of accounts receivable, net of specific allowances for doubtful accounts.

	December 31, 2024	December 31, 2023
Debtor A	\$ 34.54%	\$ 27.31%
Debtor B	18.99%	19.86%
Debtor C	17.78%	12.47%
Total accounts receivable, net	<u>\$ 71.31%</u>	<u>\$ 59.64%</u>

4. OTHER RECEIVABLES

As of December 31, 2024, the balance of other receivables was \$1.69 million deposit paid and prepayments to third parties.

As of December 31, 2023, the balance of other receivables was \$7.59 million.

On February 3, 2023, Future Fintech Group Inc. entered into a "Consulting Agreement" with a third party for its professional service of potential acquisition projects. Future Fintech Group Inc. provided initial amount of cash

deposit to the third party in the amount of \$2.40 million. As of December 31, 2024, the project has been terminated, therefore a full provision for bad debts made.

On December 6, 2023, Future Fintech (Hong Kong) Limited entered into a “Mobile Software Application Development Agreement” with a third-party. Future Fintech (Hong Kong) Limited shall pay \$4.00 million. Future Fintech (Hong Kong) Limited provided initial amount of cash deposit to the third party in the amount of \$2.00 million. Development shall take 250 man-days. As of December 31, 2024, the project has been terminated, therefore a full provision for bad debts.

On December 6, 2023, Future Fintech (Hong Kong) Limited entered into a “Augmented Reality (AR) Group Development and Service Agreement” with a third-party. Future Fintech (Hong Kong) Limited shall pay \$5.00 million. Future Fintech (Hong Kong) Limited provided initial amount of cash deposit to the third party in the amount of \$2.50 million. Development shall take 180 man-days. As of December 31, 2024, the project has been terminated, therefore a full provision for bad debts made.

In addition, other receivables included total \$0.70 million deposit paid and prepayments to third parties.

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5. LOAN RECEIVABLES

As of December 31, 2024, the balance of loan receivables was \$7.09 million, which was from a third party.

On July 14, 2022, Future Private Equity Fund Management (Hainan) Co., Limited entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Private Equity Fund Management (Hainan) Co., Limited loaned an amount of \$7.00 million (RMB50 million) to the third party at the annual interest rate of 8% from July 15, 2022 to July 14, 2025, guarantee by Junde Chen. To strengthen the liquidity, the Company negotiated with the borrower to early settle part of the loan. As of April 17, 2023, the Company has received repayment \$4.87 million (RMB35 million). As of December 31, 2024, the balance of loan receivables was \$2.09 million. The amount of \$2.09 million (RMB15 million) will be repaid within 12 months.

On December 8, 2023, Future Private Equity Fund Management (Hainan) Co., Limited entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Private Equity Fund Management (Hainan) Co., Limited loaned an amount of \$4.86 million (RMB35 million) to the third party at the annual interest rate of 5% from December 8, 2022 to December 8, 2025. As of December 31, 2024, the balance of loan receivables was \$4.85 million.

On August 29, 2024, Future Supply Chain (Xi'an) Co., Ltd entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Supply Chain (Xi'an) Co., Ltd loaned an amount of \$0.14 million (RMB1 million) to the third party at the annual interest rate of 12% from August 29, 2024 to November 30, 2025. As of December 31, 2024, the balance of loan receivables was \$0.14 million.

As of December 31, 2023, the balance of loan receivables was \$14.90 million, which was from a third party.

On March 10, 2022, FTFT HK entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, FTFT HK loaned an amount of \$5.00 million to the third party at the annual interest rate of 10% from March 10, 2022 to September 9, 2024. To strengthen the liquidity, the Company negotiated with the borrower to early settle part of the loan. As of April 17, 2023, the Company has received repayment \$2.16 million. The company assesses that the loan cannot be recovered, therefore a full provision for bad debts made in 2024.

On July 14, 2022, Future Private Equity Fund Management (Hainan) Co., Limited entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Private Equity Fund Management (Hainan) Co., Limited loaned an amount of \$7.28 million (RMB50 million) to the third party at the annual interest rate of 8% from July 15, 2022 to July 14, 2025, guarantee by Junde Chen. To strengthen the liquidity, the Company negotiated with the

borrower to early settle part of the loan. As of April 17, 2023, the Company has received repayment \$5.09 million (RMB35 million).

On December 8, 2023, Future Private Equity Fund Management (Hainan) Co., Limited entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Private Equity Fund Management (Hainan) Co., Limited loaned an amount of \$4.94 million (RMB35 million) to the third party at the annual interest rate of 5% from December 8, 2022 to December 8, 2025.

On December 8, 2023, Future Fin Tech (Hong Kong) Limited entered into a “Loan Agreement” with a third party. Pursuant to the Loan Agreement, Future Fin Tech (Hong Kong) Limited loaned an amount of \$5.00 million to the third party at the annual interest rate of 5% from December 8, 2022 to December 8, 2024. The company assesses that the loan cannot be recovered, therefore a full provision for bad debts made in 2024.

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6. SHORT - TERM INVESTMENTS

As of December 31, 2024 and 2023, the balance of short - term investments was \$1,391 and \$0.96 million. On September 6, 2021, Future Private Equity Fund Management (Hainan) Co., Ltd. invested \$1.87 million (RMB13,000,000) to entrust Shanghai Yuli Enterprise Management Consulting Firm to invest in various types of investment portfolios. Due to fluctuations of the quoted shares included in its investment portfolios, the Company recognized an impairment to the investment portfolio of nil and \$12,633 for the years ended December 31, 2024 and 2023.

7. ADVANCES TO SUPPLIERS AND OTHER CURRENT ASSETS

The amount of advances to suppliers and other current assets consisted of the followings:

	December 31, 2024	December 31, 2023
Prepayments for Supply Chain Financing/Trading	\$ 4,351,414	\$ 2,743,539
Prepaid expenses	34,867	29,693
Others	587,996	664,693
Total	<u>\$ 4,974,277</u>	<u>\$ 3,437,925</u>

8. DEBT INVESTMENT

As of December 31, 2024, debt investment was \$1.53 million.

On May 20, 2024, Future Commercial Management Co., Ltd. entered into a “Debt Transfer Agreement” with a third-party. Future Commercial Management Co., Ltd. paid \$0.71 million (RMB5.00 million) to purchase \$2.12 million (principal amount RMB7.50 million, interest RMB7.35 million) in debt. The debt has pledge of three properties, amount \$2.08 million (RMB8.02 million). The debt is expected to be repaid \$1.14 million (RMB8.00 million) within 3 years. The company will perform debt impairment test end of the fiscal year.

On July 4, 2024, Future Commercial Management Co., Ltd., an indirectly wholly owned subsidiary of the Company, entered into a “Entrustment Agreement” with Xi’an Qifeng Future Supply Chain Co., Ltd. (“Xi’an Qifeng”) to entrust Xi’an Qifeng for acquisition of certain debt assets. On September 26, 2024, Xi’an Qifeng through its authorized agent entered into a “Debt Transfer Agreement” with China Zhongxin Financial Assets Management Co., Ltd. Gansu Branch, pursuant to which Future Commercial Management Co., Ltd. paid \$1.12 million (RMB7.50 million) to purchase 60% rights and ownership in debt assets which is amount of RMB94.05 million (the total debt assets are of principal amount RMB87.90 million, interest RMB68.84 million). The debt has been pledged with one property

amount \$5.62 million (RMB39.36 million). The debt has an annual interest rate of 12% and payment requirement of principal \$0.07 million (RMB0.5 million) per month until it's fully repaid. In 2024, the Company has received repayment \$0.25 million (RMB1,800,000).

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9. ACQUISITION

Alpha International Securities (Hong Kong) Limited

On October 30, 2023, Future FinTech (Hong Kong) Limited, a wholly owned subsidiary of the Company acquired 100% equity interest of Alpha International Securities (Hong Kong) Limited a company incorporated in Hong Kong for \$1,791,174 (HKD 14,010,421). The Company is securities business. The Company has changed its name from Alpha International Securities (Hong Kong) Limited to FTFT International Securities and Futures Limited on November 1, 2023.

Alpha Information Services (Shenzhen) Co., Ltd

On October 30, 2023, Future FinTech (Hong Kong) Limited, a wholly owned subsidiary of the Company acquired 100% equity interest of Alpha Information Services (Shenzhen) Co., Ltd for \$210,788 (HKD 1,649,528). The Company is provided information services for FTFT International Securities and Futures Limited. The Company has changed its name from Alpha Information Services (Shenzhen) Co., Ltd to Future information service (Shenzhen) Co., Ltd on November 3, 2023.

The following table summarizes the allocation of estimated fair values of net assets acquired and liabilities assumed:

Accounts receivable	\$ 1,526,360
Other current assets	171,038
Property, plant and equipment, net	1,458
Intangible assets	127,846
Right of use assets	8,875
Lease liability-current	(8,875)
Accounts payable	(4,123,903)
Accrued expenses and other payables	(552,484)
Net identifiable assets acquired	\$(2,849,685)
Add: goodwill	172,213
Total purchase price for acquisition net of \$4,679,434 of cash	<u><u>\$(2,677,472)</u></u>

The Company has included the operating results of FTFT International Securities and Futures Limited in its consolidated financial statements since the Acquisition Date. US\$294,437 in net sales and US\$88,408 in net income of FTFT International Securities and Futures Limited were included in the consolidated financial statements for the years ended December 31, 2023.

The Company has included the operating results of Future information service (Shenzhen) Co., Ltd in its consolidated financial statements since the Acquisition Date. US\$1,390 in net sales and US\$50,80 in net loss of Future information service (Shenzhen) Co., Ltd were included in the consolidated financial statements for the years ended December 31, 2023.

10. LEASES

The Company's noncancelable operating leases consist of leases for office spaces and computer processing center. The Company is the lessee under the terms of the operating leases. For the year ended December 31, 2024, the operating lease cost was \$0.54 million.

The Company's operating leases have remaining lease terms of approximately 28 months. As of December 31, 2024, the weighted average remaining lease term and weighted average discount rate were 2.33 years and 4.75%, respectively.

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Maturities of lease liabilities were as follows:

As of December 31, 2024	Operating Lease
From January 1, 2025 to December 31, 2025	\$ 349,256
From January 1, 2026 to December 31, 2026	165,979
From January 1, 2027 to March 31, 2027	31,330
Total	<u>\$ 546,565</u>
Less: amounts representing interest	\$ 19,794
Present Value of future minimum lease payments	526,771
Less: Current obligations	<u>334,017</u>
Long term obligations	<u>\$ 192,754</u>

The Company leases office space and equipment under various short-term operating leases. As permitted by ASC 842, the Company has elected the practical expedient for short-term leases, whereby lease assets and lease liabilities are not recognized on the balance sheet. Short term leases cost was \$0.14 million for the year ended December 31, 2024.

11. PROPERTY, PLANT AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31, 2024	December 31, 2023
Office equipment, fixtures and furniture	\$ 129,322	\$ 280,461
Vehicle	721,562	730,998
Leasehold Improvement	<u>62,339</u>	<u>108,360</u>
Subtotal	913,222	1,119,819
Less: accumulated depreciation and amortization	(534,926)	(561,708)
Construction in progress	2,226,408	2,259,634
Impairment	<u>(5,511)</u>	<u>(5,593)</u>
Total	<u>\$ 2,599,194</u>	<u>\$ 2,812,151</u>

Depreciation expense included in general and administration expenses for the years ended December 31, 2024 and 2023 was \$209,254 and \$201,363 respectively. Depreciation expense included in cost of sales for the year ended December 31, 2024 and 2023 was \$0 and \$0, respectively.

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12. INTANGIBLE ASSETS

Intangible assets consist of the following:

	December 31, 2024	December 31, 2023
Trademarks	\$ 847	\$ 847
System and software	2,702,821	2,730,549
Subtotal	2,703,668	2,731,396
Less: accumulated depreciation and amortization	(366,441)	(311,131)
Less: impairment	(1,804,405)	(1,831,283)
Total	532,822	588,982

Amortization expense included in general and administration expenses for the years ended December 31, 2024 and 2023 was \$57,035 and \$57,035, respectively. Amortization expense included in cost of sales for the years ended December 31, 2024 and 2023 was \$0 and \$0, respectively.

The estimated amortization is as follows:

As of December 31,	Estimated amortization expense
From January 1, 2025 to December 31, 2025	\$ 57,035
From January 1, 2026 to December 31, 2026	57,035
From January 1, 2027 to December 31, 2027	57,035
From January 1, 2028 to December 31, 2029	57,035
From January 1, 2029 to December 31, 2030	57,035
Thereafter	119,699
Total	<u>\$ 404,874</u>

The trading rights of license plates 1 and 2 on the Hong Kong Stock Exchange have no expiration date and do not require amortization, amount was \$127,948.

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13. ACCOUNT PAYABLES

The amount of account payables were consisted of the followings:

	December 31, 2024	December 31, 2023
Supply Chain Financing/Trading payment	\$ 347,003	\$ 728,010
Others	1,872,298	2,573,705
Total	<u>\$ 2,219,301</u>	<u>\$ 3,301,715</u>

14. ACCRUED EXPENSES AND OTHER PAYABLES

The amount of accrued expenses and other payables were consisted of the followings:

	December 31, 2024	December 31, 2023
Legal fee and other professionals	\$ 64,488	\$ 507,765
Wages and employee reimbursement	228,721	493,071

Provision for legal case	8,625,308	8,875,265
Suppliers	1,019,978	507,973
Accruals	-	731,521
Total	<u>\$ 9,938,495</u>	<u>\$ 11,115,595</u>

In January 2021, FT Global Capital, Inc. (“FT Global”), a former placement agent of the Company filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia. FT Global served the complaint upon the Company in January 2021. In the complaint, FT Global alleges claims, most of which attempt to hold the Company liable under legal theories that relate back to an alleged breach of an exclusive placement agent agreement between FT Global and the Company in July 2020 which had a term of three months. FT Global claims that the Company failed to compensate FT Global for securities purchase transactions between December 2020 and April 2021, pursuant to the terms of the expired exclusive placement agent agreement. On April 11, 2024, on which date the jury returned a verdict in favor of FT Global and the Court entered a judgment awarding FT Global \$ \$10,598,380. As of December 31, 2024, the Company has been payment \$1.97 million.

15. CONVERTIBLE NOTES PAYABLE

As of December 31, 2024 and 2023, convertible debt consisted of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Beginning	\$ 1,100,723	\$ -
Addition	-	1,100,723
Interest expenses	77,363	-
Payment	-	-
Conversion	(625,000)	-
Balance	<u>\$ 553,086</u>	<u>\$ 1,100,723</u>

On December 27, 2023, the Company principal amount of \$1.10 million coverable promissory note. Floor Price was \$0.2272 per share of Common Stock. The Note shall be unsecured. On the date hereof, Company will reserve 5,000,000 shares of Common Stock from its authorized and unissued Common Stock to provide for all issuances of Common Stock under the Note (the “Share Reserve”). Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 2,375,434, amount \$625,000, at a price of \$0.2631 per share in 2024.

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16. RELATED PARTY TRANSACTION

As of December 31, 2024, the amount due to the related parties was consisted of the followings:

<u>Name</u>	<u>Amount</u>	<u>Relationship</u>	<u>Note</u>
Ming Yi	\$ 8,871	Chief Financial Officer of the Company	Accrued expenses, interest free and payment on demand.
Shanchun Huang	29,036	Member of the BOD, Legal person of FTFT UK Limited	Accrued expenses, interest free and payment on demand.
Total	<u>\$ 37,907</u>		

As of December 31, 2024, the amount due from the related parties was consisted of the followings:

<u>Name</u>	<u>Amount</u>	<u>Relationship</u>	<u>Note</u>
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Hu Li		Legal person of Future information service (shenZhen)	Loan receivables*, interest free and payment on demand.
	\$ 20,000		
Total	<u>\$ 20,000</u>		

During 2024, the Company had the following transactions with related parties:

Name	Amount	Relationship	Note
JKNDC Limited	\$ 6,933,009	JKNDC Limited's owner is Tsoi Tsz Leung.	Consultancy fee
Nice Talent Partner Limited	3,000,000	Controlled by NTAM's BOD CHAN Siu Kei	Consultancy fee

As of December 31, 2023, the amount due to the related parties was consisted of the followings:

Name	Amount	Relationship	Note
Chao Li	\$ 73,893	Corporate legal representative	Other payables, interest free and payment on demand.
Ming Yi	29,513	Chief Financial Officer of the Company	Accrued expenses, interest free and payment on demand.
Xiaochen Zhao	124	Corporate legal representative	Accrued expenses, interest free and payment on demand.
Total	<u>\$ 103,530</u>		

As of December 31, 2023, the amount due from the related parties was consisted of the followings:

Name	Amount	Relationship	Note
Kai Xu	\$ 12,151	Deputy General Manager of a subsidiary of the Company	Loan receivables*, interest free and payment on demand.
Total	<u>\$ 12,151</u>		

During 2023, the Company had the following transactions with related parties:

Name	Amount	Relationship	Note
JKNDC Limited	\$ 7,664	JKNDC Limited's owner is Tsoi Tsz Leung.	Other income, net
Nice Talent Partner Limited	459,867	Controlled by NTAM's BOD CHAN Siu Kei	Consultancy fee

* The related party transactions have been approved by the Company's Audit Committee.

17. INCOME TAX

The Company is incorporated in the United States of America and is subject to United States federal taxation. The applicable tax rate is 21% in 2024 and 2023. No provisions for income taxes have been made, as the Company had no U.S. taxable income for the years ended December 31, 2024 and 2023. For the years ended December 31, 2024 and 2023, the Company had current income tax expenses of nil, respectively.

The Company evaluates the level of authority for each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measures the unrecognized benefits associated with the tax positions. For the year ended December 31, 2024, the Company had no unrecognized tax benefits. Due to uncertainties surrounding future utilization, the Company estimates there will not be sufficient future income to realize the deferred tax assets for certain subsidiaries.

The amount of unrecognized deferred tax liabilities for temporary differences related to the dividend from foreign subsidiaries is not determined because such determination is not practical.

The Company has not provided deferred taxes on undistributed earnings attributable to its PRC and Hong Kong subsidiaries as they are to be permanently reinvested.

The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of ASC Topic 740, Income Taxes. Since the Company intends to reinvest its earnings to further expand its businesses in mainland China, its PRC subsidiaries do not intend to declare dividends to their immediate foreign holding companies in the foreseeable future. Accordingly, the Company has not recorded any deferred taxes in relation to US tax on the cumulative amount of undistributed retained earnings since January 1, 2008.

Effective on January 1, 2008, the PRC Enterprise Income Tax Law, EIT Law, and Implementing Rules imposed a unified enterprise income tax rate of 25% on all domestic-invested enterprises and foreign-invested enterprises in the PRC, unless they qualify under certain limited exceptions. The tax rate for pre-tax profits below RMB 1 million to RMB 3 million is 5%; the tax rate for pre-tax profits between RMB1 million to RMB3 million is 10%. Other Subsidiaries and VIE were subject to an enterprise income tax rate of 25%.

Each of Future Fin-Tech (Hong Kong) Limited, QR (HK) Limited and Nice Talent Asset Management Limited is incorporated in Hong Kong and is subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate below HKD 2 million is 8.5%, exceeding HKD 2 million is 16.5% in Hong Kong.

FTFT UK Limited is incorporated in United Kingdom and is subject to United Kingdom Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant United Kingdom tax laws. The applicable tax rate is 19% in United Kingdom.

FTFT Capital Investments L.L.C is incorporated in Dubai, United Arab Emirates. The applicable tax rate is nil in Dubai, United Arab Emirates.

Digipay Fintech Limited is incorporated in British Virgin Island. The applicable tax rate is nil in British Virgin Island.

Significant components of the provision for income taxes are as follows:

	2024	2023
Current tax	\$ -	\$ -
Deferred tax - book-tax difference	-	7,833
The provision for income taxes	<u>\$ -</u>	<u>\$ 7,833</u>

Reconciliation of the differences between the statutory EIT rate applicable to profits of the consolidated entities and the income tax expenses of the Company:

	2024	2023
Loss before taxation	\$(34,233,842)	\$(32,819,570)
Notional tax on profit before CIT and Hong Kong		
Computed expected tax expense	(8,558,461)	(8,204,893)
Others, primarily the difference in tax rates	(13,628,152)	6,545,297

Deferred tax assets losses not recognized	22,186,612	1,659,596
Total	\$ -	\$ -

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18. IMPAIRMENT LOSS

The Company recorded nil of impairment loss in the year ended 2024.

The Company recorded \$14.16 million of impairment loss in the year ended 2023 relating to the short - term investments \$12,633 and impairment of goodwill \$14.15 million.

Future Private Equity Fund Management (Hainan) Co., Ltd. invested \$1.83 million (RMB13,000,000) to entrust Shanghai Yuli Enterprise Management Consulting Firm to invest in various types of investment portfolios. The Company may still suffer significant impairment loss or downward adjustments of our investments in the future, due to the potential worsening global economic conditions and the recent disruptions to, and volatility in, the continuing low market price of shares caused the Company to recognize a fair-value loss in 2023. According to the market value, the Company's balance of the short - term investments was \$12,633 on December 31, 2023.

Goodwill represents the excess of the cost over the net tangible and identified intangible assets of acquired businesses. The Company evaluate goodwill for impairment annually as of the first day of our fiscal fourth quarter, or more frequently if events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Based on the impairment analysis performed in the fourth quarter. The Company recorded \$14.15 million of impairment loss in fiscal year 2023 related with goodwill mainly arose from acquisition of Nice Talent Asset Management Limited, Khyber Money Exchange Ltd., Alpha International Securities (Hong Kong) Limited and Alpha Information Services (Shenzhen). Goodwill impairment test as of December 31, 2023 using compare the carrying amount of the reporting unit (including goodwill) with its fair value. If the carrying amount exceeds the fair value, compare the implied fair value of the reporting unit's goodwill with the carrying amount of goodwill. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss should be recognized.

19. SHARE BASED COMPENSATION

On February 1, 2023, the Company has authorized and approved a 1-for-5 reverse stock split of the Company's authorized shares of common stock from 300,000,000 shares to 60,000,000 shares.

Statutory reserve

During the years ended December 31, 2024 and 2023, the Company collectively attributed nil of retained earnings for their statutory reserves, respectively.

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Restricted net assets

PRC laws and regulations permit payments of dividends by the Company's subsidiaries incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. In addition, the Company's subsidiaries incorporated in the PRC are required to annually appropriate 10% of their net income to the statutory reserve prior to payment of any dividends, unless the reserve has reached 50% of their respective registered capital. Furthermore, registered share capital and capital reserve accounts are also restricted from distribution. As a result of the restrictions described above and elsewhere under PRC laws and regulations, the Company's subsidiaries incorporated in the PRC are restricted in their ability to transfer a portion of their net assets

to the Company in the form of dividends. The restriction amounted to \$24,733,624 (RMB176,144,932) as of December 31, 2024. Except for the above or disclosed elsewhere, there is no other restriction on the use of proceeds generated by the Company's subsidiaries to satisfy any obligations of the Company.

Payments-omnibus equity plan

On July 12, 2022 (the "Grant Date"), the Compensation Committee of the Board of Directors (the "Board") of the Company granted 3,047,000 shares of common stock of the Company, par value \$0.001 (the "Shares"), pursuant to the Company's 2020 Omnibus Equity Plan, to certain officers and employees of the Company and its subsidiaries (the "Grantees"), including: 800,000 shares to Shanchun Huang, Chief Executive Officer of the Company; 800,000 shares to Yongke Xue, President of the Company; 100,000 shares to Ming Yi, Chief Financial Officer of the Company, 547,000 shares to Peng Lei, general manager of a subsidiary of the Company, 300,000 shares to Pang Dong, general manager of a subsidiary the Company, and 500,000 shares to Kai Xu, Deputy General Manager of a subsidiary of the Company and vice president of blockchain division of the Company (collectively, the "Grants"). The Grants vested immediately on the Grant Date and each of the Grantees also entered into an Unrestricted Stock Award Agreement with the Company on July 12, 2022. As the closing price of the Company stock was \$0.42 on July 12, 2022, the Company recorded an expense of \$1.28 million in the third quarter of fiscal year 2022. As of the date of this report, the Shares have been issued to the Grantees. The share numbers in this Note 22 are pre-reverse stock split effected on February 1, 2023.

On October 12, 2023, the Compensation Committee of the Board of Directors of the Company granted 2,890,000 shares of common stock of the Company, par value \$0.001, pursuant to the Company's 2023 Omnibus Equity Plan, to certain officers and employees of the Company and its subsidiaries (the "Grantees"). As the closing price of the Company stock was \$1.20 on December 23, 2023, the Company recorded an expense of \$3.47 million in the third quarter of fiscal year 2023. As of the date of this report, the Shares have been issued to the Grantees.

On October 4, 2024, the Compensation Committee of the Board of Directors of the Company granted 2,110,000 shares of common stock of the Company, par value \$0.001, pursuant to the Company's 2023 Omnibus Equity Plan, to certain officers and employees of the Company and its subsidiaries (the "Grantees"). As the closing price of the Company stock was \$0.318 on October 9, 2023, the Company recorded an expense of \$0.67 million in the third quarter of fiscal year 2024. As of the date of this report, the Shares have been issued to the Grantees.

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20. COMMON STOCK

Securities Purchase Agreement

On December 24, 2020, the Company entered into a securities purchase agreement with certain purchasers, pursuant to which the Company sold to the purchasers in a registered direct offering, an aggregate of 4,210,530 units, each consisting of one share of our common stock and a warrant to purchase 1 share of our Common Stock, at a purchase price of \$1.90 per unit, for aggregate gross proceeds to the Company of \$8,000,007, before deducting fees to the placement agent and other offering expenses payable by the Company. On December 29, 2020, the Company issued Units consisting of an aggregate of 4,210,530 shares of our Common Stock and warrants to purchase up to an aggregate of 4,210,530 shares of our Common Stock at an exercise price of \$2.15 per share (the "Investors' Warrants"). The Investors' Warrants have a term of five years and are exercisable by the holder at any time after the date of issuance. In connection with the offering, the Company also issued placement agent a warrant to purchase 210,526 shares of our Common Stock (the "Placement Agent Warrant") on substantially the same terms as the Investors' Warrants, except that the Placement Agent Warrant has an exercise price of \$2.375 per share and are not exercisable until June 24, 2021. December 31, 2023 and 2024, outstanding warrant has 210,526 shares of our Common Stock. Warrants after 1-Furu-5 reverse stock split was 42,108 shares.

<u>Underlying</u> <u>Shares</u>	<u>Weighted</u> <u>Average</u>	<u>Weighted</u> <u>Average</u>
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		Exercise Price	Term (Years)
Options outstanding at December 31, 2023	42,108	\$ 2.375	1.00
Granted	-	-	-
Forfeited	-	-	-
Cancelled	-	-	-
Options outstanding at December 31, 2024	42,108	\$ 2.375	1.00
Options exercisable at December 31, 2024	42,108	\$ 2.375	1.00

On August 6, 2021, the Company, through its wholly owned subsidiary Future FinTech (Hong Kong) Limited., completed its acquisition of 90% of the issued and outstanding shares of Nice Talent Asset Management Limited from Joy Rich Enterprises Limited (the “Nice Shares”) for HK\$144,000,000 (the “Purchase Price”) which shall be paid in the shares of common stock of the Company (the “Company Shares”). 60% of the purchase price (\$11.22 million) was paid in 2,244,156 shares of common stock of the Company on August 4, 2021, at a price of \$5 per share. 40% of the Purchase Price (\$7.39 million) was paid in 299,221 shares of common stock of the Company on October 17, 2023.

On January 5, 2024, the Company entered into a securities purchase agreement with certain purchasers identified on the signature page thereto, pursuant to which the Company sold to the purchasers in a private placement, an aggregate of 2,150,536 share of its common stock, par value \$0.001 per share at a purchase price of \$1.20 per share, for aggregate net proceeds to the Company of \$2,580,644. On January 18, 2024, the Company issued 2,150,536 shares of common stock pursuant to this Agreement.

Common stocks issued in connection with the convertible notes

On December 27, 2023, the Company entered into a Securities Purchase Agreement with Streeterville Capital, LLC, a Utah limited liability company (the “Lender”), pursuant to which the Company sold and issued to the Lender a Convertible Promissory Note (the “Note”) in the principal amount of \$1,100,000.

On July 3, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 136,649, amount \$50,000, at a price of \$0.3659 per share.

On July 18, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 217,139, amount \$75,000, at a price of \$0.3454 per share.

On August 26, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 408,329, amount \$100,000, at a price of \$0.2449 per share.

On October 24, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 390,625, amount \$100,000, at a price of \$0.256 per share.

On November 11, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 390,625, amount \$100,000, at a price of \$0.256 per share.

On November 14, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 393,855, amount \$100,000, at a price of \$0.2539 per share.

On December 18, 2024, that Lender elects to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 438,212, amount \$100,000, at a price of \$0.2282 per share.

The share numbers in this Note 22 are pre-reverse stock split effected on February 1, 2023.

21. DISCONTINUED OPERATIONS

On June 16, 2023, QR (HK) Limited was dissolved and deregistered.

On December 5, 2023, FTFT PARAGUAY S.A. was dissolved.

On March 7, 2024, Chain Cloud Mall Network and Technology (Tianjin) Co., Limited was dissolved and deregistered.

On September 4, 2024, Tianjin Future Private Equity Fund Management Partnership (Ltd Partnership) was dissolved and deregistered.

On October 18, 2024, Nice Talent Asset Management Limited was disposed of for a consideration of USD 0.31 million (HKD 2.40 million).

On December 6, 2024, FTFT SuperComputing Inc. was disposed of for a consideration of USD 1.97 million.

Loss from discontinued operations for fiscal years 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
Revenue	\$ -	\$ 13,168,348
Cost – third party	-	8,423,457
Cost – related party	-	978,801
Gross profit	-	3,766,090
OPERATING EXPENSES:		
General and administrative	-	4,211,836
Research and Development expenses	-	2,577
Selling expenses	-	310,737
Bad debt provision	-	70,955
Total	-	4,596,105
OTHER INCOME (EXPENSE)		
Interest income	-	30,655
Interest expense	-	-
Other expense	-	(780,899)
Total	-	(750,244)
Loss from discontinued operations before income tax	-	(1,580,259)
Income tax provision	-	5,281
Loss from discontinued operation before noncontrolling interest	\$ -	(1,574,978)
Gain on disposal of discontinued operations	1,054,155	386,482
Less: Net loss attributable to non-controlling interests	(190,840)	(108,046)
LOSS FROM DISCONTINUED OPERATION	\$ 1,244,995	\$ (1,080,450)

The major components of assets and liabilities related to discontinued operations are summarized below:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$ -	\$ 1,619,413
Accounts receivable	-	1,296,065
Other receivables	-	2,459,259
Advances to suppliers and other current assets	-	399,827
Property, plant and equipment, net	-	1,767,037
Right of use assets - operation lease	-	834,076

Total assets related to discontinued operations	\$	-	\$ 8,375,677
Accounts payable	\$	-	\$ 18,346
Accrued expenses and other payables		-	881,886
Advances from customers		-	2,604
Amount Due to Related Party		-	401,516
Lease liability - operation lease		-	145,468
Lease liability - operation lease non-current		-	690,819
Total liabilities related to discontinued operations	\$	-	\$ 2,140,639

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22. SEGMENT REPORTING

In its operation of the business, management, including our chief operating decision maker, who is our Chief Executive Officer, reviews certain financial information, including segmented internal profit and loss statements prepared on a basis consistent with GAAP. The Company operates in three segments: supply chain financing service and trading business, asset management service and others.

The Company began to provide supply chain financing services during the second quarter of 2021. The Company began to provide sand and steel supply chain financing services during the first quarter of 2023. The Company began to provide brokerage services during the October 2023.

Some of our operation might not individually meet the quantitative thresholds for determining reportable segments and we determine the reportable segments based on the discrete financial information provided to the chief operating decision maker. The chief operating decision maker evaluates the results of each segment in assessing performance and allocating resources among the segments. Since there is an overlap of services and products between different subsidiaries of the Company, the Company does not allocate operating expenses and assets based on the product segments. Therefore, operating expenses and asset information by segment are not presented. Segment profit represents the gross profit of each reportable segment.

For fiscal year 2024:

	Supply Chain Financing/ Trading	Brokerage service	Others	Total
Reportable segment revenue	\$ 983,246	\$ 870,864	\$ 304,015	\$ 2,158,125
Inter-segment loss	-	-	-	-
Revenue from external customers	983,246	870,864	304,015	2,158,125
Segment gross profit	\$ 163,892	\$ 813,747	\$ 294,378	\$ 1,272,017

For fiscal year 2023:

	Supply Chain Financing/ Trading	Brokerage service	Others	Total
Reportable segment revenue	\$20,769,323	\$ 298,505	\$ 629,377	\$21,697,205
Inter-segment loss	-	-	-	-
Revenue from external customers	20,769,323	298,505	629,377	21,697,205

Segment gross profit	\$ 465,020	\$ 294,437	\$ 362,148	\$ 1,121,605
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Loss from Continuing Operations before Income Tax:

	For the Years Ended,	
	2024	2023
Supply chain financing/trading	3,753,106	848,031
Brokerage service	581,483	206,030
Others	4,340,920	636,436
Corporate and Unallocated	26,830,350	32,250,678
Total operating expenses and other expense	35,505,859	33,941,175
Loss from Continuing Operations before Income Tax	(34,233,842)	(32,819,570)

Segment assets:

	December 31,	
	2024	2023
Supply chain financing/trading	5,717,948	12,437,136
Brokerage service	5,066,369	5,088,522
Others	13,252,693	14,062,310
Corporate and Unallocated	1,865,928	23,117,744
Assets related to discontinued operation	-	6,235,038
Total assets	25,902,938	60,940,750

Assets subject to attribution to business segments largely include property, plant and equipment, receivable and right of use assets. All other items are reflected in Corporate and Unallocated.

23. COMMITMENTS AND CONTINGENCIES

Legal case with FT Global Litigation

In January 2021, FT Global Capital, Inc. (“FT Global”), a former placement agent of the Company filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia. FT Global served the complaint upon the Company in January 2021. In the complaint, FT Global alleges claims, most of which attempt to hold the Company liable under legal theories that relate back to an alleged breach of an exclusive placement agent agreement between FT Global and the Company in July 2020 which had a term of three months. FT Global claims that the Company failed to compensate FT Global for securities purchase transactions between December 2020 and April 2021, pursuant to the terms of the expired exclusive placement agent agreement. Allegedly, the exclusive placement agent agreement required the Company to pay FT Global for capital received during the term of the agreement and for the 12-month period following the termination of the agreement involving any investors that FT Global introduced and/or wall-crossed to the Company. However, the Company believes the securities purchase transactions at issue did not involve the one investor which FT Global introduced or wall-crossed to the Company during the term of the agreement. FT Global claims approximately \$7,000,000 in damages and attorneys’ fees.

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The Company timely removed the case to the United States District Court for the Northern District of Georgia (the “Court”) on February 9, 2021 based on diversity of jurisdiction. On March 9, 2021, the Company filed a motion to

dismiss based on FT Global's failure to state a claim which is pending before the Court. On November 10, 2021, the Court entered an Order granting the Company's motion to dismiss FT Global's fraud claim and breach of contract claim as to the disclosure of its confidential and proprietary information. The Court denied the Company's motion to dismiss FT Global's i) breach of contract claim for failure to pay FT Global pursuant to the terms of the exclusive placement agent agreement; ii) claim for breach of the covenant of good faith and fair dealing; and iii) claim for attorney's fees, and the court concluded that additional information can be obtained through discovery. On October 12, 2022, the Company filed a motion for summary judgment on all claims asserted by FT Global in this lawsuit. On November 2, 2022, FT Global filed its opposition to the Company's motion for summary judgment. On November 16, 2022, the Company filed its reply in support of its motion for summary judgment on all claims asserted by FT Global in this lawsuit. On August 31, 2023, the Court entered an Order denying the Company's motion for summary judgment. The trial began on April 8, 2024 and ended on April 11, 2024, on which date the jury returned a verdict in favor of FT Global. On April 11, 2024, the Court entered a judgment awarding FT Global \$8,875,265.31 and on April 16, 2024, the Court issued an amended judgment, awarding FT Global \$10,598,379.93, which includes \$7,895,265.31 in damages, \$1,723,114.62 in prejudgment interest, and \$980,000.00 in attorney's fees. . On May 9, 2024, the Company filed a post-trial motion to set aside the jury verdict and for a new trial and the Court denied the motion on March 3, 2025. The Company filed notice of appeal to appeal the judgement to the United States Court of Appeals for the Eleventh Circuit on April 2, 2025 and the Company will continue to vigorously defend the action against FT Global.

FT Global has registered the Court's judgment in the United States District Court for Southern District of New York ("NY Court"), where FT Global has brought a motion requiring the Company to turn over its stock in its subsidiary companies. The Company has filed an opposition to the motion, arguing that according to the New York statute the NY Court should first determine that the value of the stock in the subsidiary is insufficient to satisfy the judgment as the Company believe the request for turnover is premature before a valuation hearing. On August 28, 2024, NY Court granted FT Global's motion for turnover of Defendant's shares in Defendant's wholly-owned subsidiaries as Defendant 1) failed to satisfy the \$10.8 million judgment rendered in the Northern District of Georgia and registered in the Southern District of New York, and 2) is in possession of money and property in which it has an interest. The NY Court ordered Defendant shall turn over the shares, membership, or limited partnership interests in all of its subsidiaries, and the corporate seals of its China and Hong Kong-based subsidiaries, to the U.S. Marshal for auction or sale until the judgment is satisfied. Pursuant to the order issued by the United States District Court for the Southern District of New York on August 28, 2024, the United States Marshal for the Southern District of New York ("U.S. Marshal") sold the securities of the subsidiaries of the Company other than those in Hong Kong and China in auction of: (i) all of the membership interests in Future Fintech Digital Capital Management LLC; (ii) all of the outstanding shares of FTFT UK Limited; (iii) the corporate seal of DigiPay FinTech Limited; (iv) the corporate seal of GlobalKey SharedMall Limited; (iv) all of the outstanding shares of Future Fintech Labs Inc.; and (v) all of the outstanding shares of Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$25,000 on December 18, 2024. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company ("FTFT SuperComputing") to DDMM Capital LLC (the "Buyer") for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$973,072.24 and (ii)\$1,000,000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The Company has appealed the turnover order of the NY Court for the auction of securities of the subsidiaries of the Company in Hong Kong and China to the United States Court of Appeals for the Second Circuit and is waiting for the final decision of the Court of Appeals. On February 6, 2025, FT Global filed a motion ("Motion") in the NY Court, amended on February 12, 2025, seeking a turnover order for 39,825,939 (before 1 for 10 reverse split) unissued shares of the Company's common stock for sale to satisfy the judgement. The amended motion directs the requested relief not only at the Company but also at Transhare Corporation, the Company's Florida-based transfer agent. The Company believes the Motion lacks merit, as the issuance of unissued shares in this manner would violate corporate governance principles, Florida corporate law, and federal securities regulations. The Company has opposed the Motion, which is now fully briefed and awaits decision by the NY Court.

Shareholders Lawsuit (LaBelle and Janzen)

The LaBelle case is a putative securities class action filed in January 2024 and is pending in the District of New Jersey. Denise LaBelle (“Plaintiff”) alleges that the Company and certain of its officers violated Sections 10(b) and 20(a) of the Securities Exchange Act by making materially false or misleading statements in the company’s public filings and disclosures relating to the former Chief Executive Officer of the Company Mr. Shanchun Huang and charges filed by the SEC against Mr. Shanchun Huang with manipulative trading in the stock of the Company using an offshore account shortly before he became the Company’s CEO in 2020 and failing to disclose his beneficial ownership. Mr. Huang has denied the allegations of trading before he became CEO. Plaintiff claims that these alleged misstatements caused the Company’s stock to trade at artificially inflated prices, harming investors when the truth was revealed. The lead plaintiff and lead counsel were appointed in September 2024. The Company was served in September 2024, and the Plaintiff is currently seeking substituted service on the individual defendants. Once service is resolved, the Plaintiff is expected to file an amended complaint, which the Company and other defendants intend to move to dismiss.

The Janzen action is a consolidated shareholder derivative case filed by Jeff Janzen on May 31, 2024, also pending in the District of New Jersey, brought nominally on behalf of Future FinTech. Plaintiff alleges that certain current and former officers and directors breached fiduciary duties by allowing or failing to prevent the same alleged misconduct at issue in LaBelle, including mismanagement and misleading public disclosures. The derivative case has been stayed by stipulation, pending resolution of the anticipated motion to dismiss in LaBelle, but plaintiff has reserved the right to participate in mediation and settlement discussions relating to the class action.

24. RISKS AND UNCERTAINTIES

PRC Regulations

There are substantial uncertainties regarding the interpretation and application of PRC laws and regulations including, but not limited to, the laws and regulations governing our business and the enforcement and performance of our arrangements with customers in certain circumstances. We are considered foreign persons or foreign funded enterprises under PRC laws and, as a result, we are required to comply with PRC laws and regulations related to foreign persons and foreign funded enterprises. These laws and regulations are sometimes vague and may be subject to future changes, and their official interpretation and enforcement may involve substantial uncertainty. The effectiveness of newly enacted laws, regulations or amendments may be delayed, resulting in detrimental reliance. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. We cannot predict what effect the interpretation of existing or new PRC laws or regulations may have on our business.

Customer concentration risk

For the year ended December 31, 2024, two customers accounted for 35.86% and 13.57% of the Company’s total revenues. For the year ended December 31, 2023, one customer accounted for 85.84% of the Company’s total revenues.

Vendor concentration risk

For the year ended December 31, 2024, one vendor accounted for 90.77% of the Company’s total purchases. For the year ended December 31, 2023, one vendor accounted for 87.58% of the Company’s total purchases.

25. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date of the issuance of the consolidated financial statements and no subsequent event is identified.

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Future FinTech Group Inc. (the “Company”, “we”, “us” or “our”) has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) which consists of common stock, \$0.001 par value per share (the “Common Stock”). The following is a summary of our capital stock and certain provisions of our certificate of incorporation and bylaws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our Second Amended and Restated Articles of Incorporation, as amended (“Articles of Incorporation”), our Amended and Restated Bylaws (“Bylaws”), and applicable provisions of the Florida Business Corporation Act (the “FCBA”).

April 11, 2025, our authorized capital stock consists of 6,000,000 shares of Common Stock, par value \$0.001 per share, and 10,000,000 shares of preferred stock, par value \$0.001 per share. Currently, we have no other authorized classes of stock as of April 11, 2025.

DESCRIPTION OF COMMON STOCK

As of April 11, 2025, there were 3,050,770 shares of our Common Stock outstanding, held by approximately 47 stockholders of record. As of April 11, 2025, there were outstanding warrants to purchase 42,108 shares of common stock of the Company.

Our Common Stock is currently traded on The NASDAQ Capital Market under the symbol “FTFT”. The transfer agent and registrar for our common stock is TranShare Securities Transfer and Registrar.

Holders of shares of our Common Stock are entitled to one vote for each share on all matters to be voted on by the shareholders. Except if a greater plurality is required by the express requirements of law or our Articles of Incorporation, the affirmative vote of a majority of the shares of voting stock represented at a meeting of shareholders at which there shall be a quorum present shall be required to authorize all matters to be voted upon by our shareholders. According to our charter documents, holders of our Common Stock do not have preemptive rights and are not entitled to cumulative voting rights. There are no conversion or redemption rights or sinking funds provided for our shareholders. Shares of our Common Stock share ratably in dividends, if any, as may be declared from time to time by the board of directors in its discretion from funds legally available for distribution as dividends. In the event of our liquidation, dissolution or winding up, the holders of our Common Stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. All of the outstanding shares of our Common Stock are fully paid and non-assessable.

Anti-Takeover Effects of Certain Provisions of Florida Law

As a Florida corporation, we are also subject to certain provisions of the FCBA that have anti-takeover effects and may inhibit a non-negotiated merger or other business combination. Our Articles of Incorporation and Bylaws also contain other provisions which could have anti-takeover effects. These provisions include, without limitation, the authority of our Board of Directors to issue additional shares of preferred stock and to fix the relative rights and preferences of the preferred stock without the need for any shareholder vote or approval, as discussed above, and advance notice procedures to be complied with by our shareholders in order to make shareholder proposals or nominate directors.

In addition, the FBCA prohibits the voting of shares in an “issuing public corporation” that are acquired in a “control share acquisition” unless the board of directors of the corporation approves the control share acquisition before the acquisition or the holders of a majority of the corporation’s voting shares (excluding shares held by officers of the corporation, inside directors of the corporation or the acquiring party) approve the granting of voting rights as to the shares acquired in the control share acquisition. An “issuing public corporation” is a corporation that has (i) 100 or more shareholders, (ii) its principal place of business, its principal office or substantial assets in Florida and (iii) either

more than 10% of its shareholders residing in Florida, more than 10% of its shares owned by Florida residents or 1,000 shareholders residing in Florida “Control shares” are defined in the FBCA as shares acquired by a person, either directly or indirectly, that when added to all other shares of the issuing corporation owned by that person, would entitle that person to exercise, either directly or indirectly, voting power in the election of directors within any of the following ranges: (i) 20% or more but less than 33% of all voting power of the corporation’s voting securities; (ii) 33% or more but less than a majority of all voting power of the corporation’s voting securities; or (iii) a majority or more of all of the voting power of the corporation’s voting securities. These provisions do not apply to shares acquired under, among other things, an agreement or plan of merger or share exchange effected in compliance with the relevant provisions of the FBCA and to which the corporation is a party, or an acquisition of shares previously approved by the board of directors of the corporation.

The FBCA also prohibits a publicly held Florida corporation from engaging in a number of mergers, consolidations, dispositions of assets, or other business combinations or extraordinary corporate transactions (each such transaction, an “affiliated transaction”) with an “interested shareholder” for a period of three years following the time that such shareholder became an interested shareholder unless: (x) prior to such shareholder becoming an interested shareholder, the board of directors of the corporation approved either the affiliated transaction or the transaction which resulted in the shareholder becoming an interested shareholder; (y) upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85 percent of the outstanding voting shares of the corporation (other than shares held by directors who are also officers and certain employee benefit plans); or (z) the affiliated transaction is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least two thirds of the outstanding voting shares which are not owned by the interested shareholder. An “interested shareholder” is any person who, together with such person’s affiliates and associates, beneficially owns 15% or more of the outstanding voting stock of a corporation. The above approval is not required if (i) a majority of the disinterested directors has approved the affiliated transaction, (ii) the corporation has not had more than 300 shareholders of record at any time during the three years preceding the date of the transaction’s announcement, (iii) the interested shareholder has been the beneficial owner of at least 80% of the corporation’s outstanding voting shares for at least three years preceding the date of the transaction’s announcement, (iv) the interested shareholder is the beneficial owner of at least 90% of the outstanding voting shares of the corporation, exclusive of shares acquired directly from the corporation in a transaction not approved by a majority of the disinterested directors, (v) the corporation is an investment company registered under the Investment Company Act of 1940, or (vi) the consideration that holders of each class or series of stock of the corporation will receive in the affiliated transaction meets certain minimum levels determined by a formula under the FBCA.

Exhibit 21.1

List of Principal Subsidiaries of the Company as of December 31, 2024

Name of Entity	Jurisdiction of Incorporation/Organization
Future Fintech (Hong Kong) Limited	Hong Kong
Fuce Future Supply Chain (Xi'an) Co., Ltd.	PRC
Future Commercial Group Ltd.	PRC
Fengtongxiang Supply Chain (Chengdu) Co., Ltd.	PRC
Future Big Data (Chengdu) Co., Ltd.	PRC
Future Commercial Management Co., Ltd.	PRC
Future Commercial Management (Hainan) Co., Ltd.	PRC
Future Trading (Chengdu) Co., Ltd.	PRC
Future Information Service (Shenzhen) Co., Ltd.	PRC
FTFT International Securities and Futures Limited	Hong Kong

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-1 (File No. 333-218276), Forms S-3 (File Nos. 333-258094, 333-224686 and 333-206353) and Forms S-8 (File Nos. 333-285646, 333-257742, 333-249362, 333-228912, 333-216201, 333-206360 and 333-276142) of Future FinTech Group Inc. (the “Company”) of our report dated April 15, 2025, relating to the Company’s consolidated financial statements which appear in this Annual Report on Form 10-K of the Company for the years ended December 31, 2024 and 2023.

/s/ Fortune CPA Inc.

Fortune CPA Inc.

April 15, 2025

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION FOR FORM 10-K (CEO) CERTIFICATION

I, Hu Li, certify that:

1. I have reviewed this annual report on Form 10-K of Future FinTech Group 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 the Company 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 controls over financial reporting.

Date: April 15, 2025

By: /s/ Hu Li

Hu Li

Chief Executive Officer

Exhibit 31.2

RULE 13a-14(a) CERTIFICATION FOR FORM 10-K (CFO) CERTIFICATION

I, Ming Yi, certify that:

1. I have reviewed this annual report on Form 10-K of Future FinTech Group 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 the Company 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 controls over financial reporting.

Date: April 15, 2025

By: /s/ Ming Yi
Ming Yi
Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATION (CEO) 1350

FUTURE FINTECH GROUP INC.

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Future FinTech Group Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hu Li, 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:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2025

/s/ Hu Li
Hu Li
Chief Executive Officer

Exhibit 32.2

SECTION 1350 CERTIFICATION (CFO) 1350

FUTURE FINTECH GROUP INC.

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Future FinTech Group Inc. (the “Company”) on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ming Yi, 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:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2025

/s/ Ming Yi

Ming Yi

Chief Financial Officer