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, 2025

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	**98-0222013**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
02B-03A, 23/F, Sino Plaza, 255-257 Gloucester Road Causeway Bay, Hong Kong	**N/A**
(Address of principal executive offices)	(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 $4.76 per share for shares of the registrant's Common Stock on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter as reported by the NASDAQ Capital Market, was approximately $12.97 million. (The Company effected a 1-for-10 reverse stock split on April 1, 2025 and a 1-for-4 reverse stock split on January 20, 2026)

The number of shares of Common Stock outstanding as of March 16, 2026 was 5,240,544.

FUTURE FINTECH GROUP INC.

ANNUAL REPORT ON FORM 10-K FOR FISCAL YEAR ENDED DECEMBER 31, 2025

PART I	1
ITEM 1 - BUSINESS	1
ITEM 1A - RISK FACTORS	21
ITEM 1B - UNRESOLVED STAFF COMMENTS	38
ITEM 1C - CYBERSECURITY	39
ITEM 2 - PROPERTIES	39
ITEM 3 - LEGAL PROCEEDINGS	39
ITEM 4 - MINE SAFETY DISCLOSURES	40
PART II	41
ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	41
ITEM 6 - [RESERVED]	42
ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	42
ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	52
ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	52
ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	52
ITEM 9A - CONTROLS AND PROCEDURES	52
ITEM 9B - OTHER INFORMATION	53
ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.	53
PART III	54
ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	54
ITEM 11 - EXECUTIVE COMPENSATION	58
ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	61
ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	62
ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES	62
PART IV	63
ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES	63
SIGNATURE	66

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended December 31, 2025 ("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.
- An occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations and financial results.
- 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 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.
- 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 business depends on internet, our websites, network infrastructure and processing system.
- Our listing readiness and preparatory consulting services business is in an early stage and is subject to regulatory interpretation and execution risks.

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.
- 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 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.

- 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.

- 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.

- 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.

- 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.

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.

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

- We have implemented a reverse stock split to address Nasdaq minimum bid price requirements, and there can be no assurance that our common stock will maintain compliance with Nasdaq listing standards.

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 Secretes 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. The activities conducted by this Hong Kong subsidiary are included in our Trading Commission and Consulting services segment.

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.

On January 8, 2026, 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-4 reverse stock split of the Company's authorized shares of common stock from 600,000,000 shares to 150,000,000 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 will round up the fractional shares that result from the Reverse Stock Split and no fractional shares will be issued in connection with the 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 Reverse Stock Split. The current pre-split number of shares of commons stock outstanding is 20,193,311 and the post-split number of shares outstanding will be approximately 5,048,328. 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 January 8, 2026.

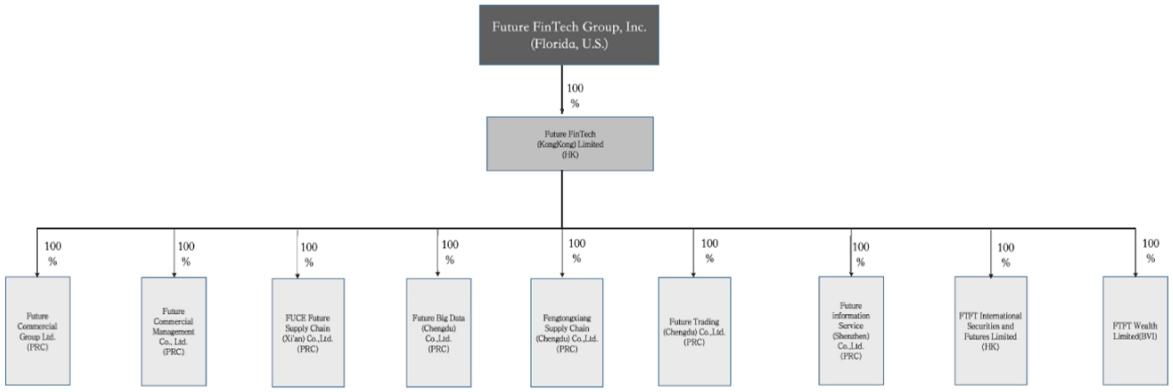
The Company operated a blockchain based online shopping platform, Chain Cloud Mall ("CCM") Chain Cloud Mall through its VIE and its business was materially and negatively affected during the outbreak of COVID-19 because the Company was unable to implement its promotion strategy to enroll new members 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.

On December 16, 2025, the Company through its wholly owned subsidiary Future Commercial Group Ltd. (the "Seller"), completed the disposition of 100% of the equity interests of Future Commercial Management (Hainan) Co., Ltd. (the "Subsidiary") to Xi'an Yinshi Trading Co., Ltd. (the "Buyer"). The disposition was completed pursuant to a Share Transfer Agreement dated November 18, 2025 (the "Agreement") among the Seller and the Buyer (the "Disposition"). The assets disposed of consisted of all of the issued and outstanding equity interests of the Subsidiary, a PRC entity previously wholly owned and consolidated by the Company. Upon completion of the Disposition, the Subsidiary ceased to be a subsidiary of the Company.

Our organizational structure as of March 16, 2026 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.

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.

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.

We are in the process of expanding into listing readiness and preparatory consulting services, which are conducted primarily through our Hong Kong subsidiary, Future FinTech (Hong Kong) Limited, a company incorporated in Hong Kong. In certain limited circumstances, these services may also involve our PRC subsidiary, Future Information Service (Shenzhen) Co., Ltd., a company organized under the laws of the People's Republic of China. All activities relating to this business have been conducted outside of the United States and are expected to continue to be conducted outside of the United States. This business line provides corporate consulting services to private companies that are evaluating or preparing for a potential public listing. Our services include assistance with internal control readiness, financial reporting preparation, corporate governance structuring, coordination with auditors and legal counsel, other preparatory matters relating to listing readiness, and assistance in completing the proposed offering and listing. Neither we nor our subsidiaries, Future FinTech (Hong Kong) Limited and Future Information Service (Shenzhen) Co., Ltd., engage in underwriting, securities brokerage, placement agent services, investor solicitation, or similar activities in the United States or in any other jurisdiction where we do not hold the required license or registration. Any securities offerings undertaken by our clients are conducted by licensed underwriters, broker-dealers, or other appropriately registered financial institutions retained directly by such clients.

As of the date of this report, Future FinTech (Hong Kong) Limited and Future Information Service (Shenzhen) Co., Ltd. have entered into consulting agreements with a limited number of clients and have received certain advance payments under such agreements. For the fiscal year ended December 31, 2025, the company recognized revenue of $135,605.61. This business line remains in an early stage of development, and our ability to expand these services will depend on market conditions, client demand, regulatory developments, and our ability to execute our consulting engagements effectively. For additional details, see "*ITEM 1A – RISK FACTORS – Risk Related to Our Business - Our listing readiness and preparatory consulting services business is in an early stage and is subject to regulatory interpretation and execution risks, and our ability to develop this business may be affected by regulatory developments and market conditions*."

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.

During fiscal year 2025, due to reduced activity in the domestic bulk commodity trading market in China and management's reassessment of credit exposure and capital allocation priorities, we significantly scaled down this business segment. As a result, revenues generated from supply chain financing and trading activities declined substantially compared to fiscal year 2024.

As of the date of this report, this business line represents an immaterial portion of our total revenues. We continue to evaluate market conditions and our strategic focus, and there can be no assurance that we will resume this business at historical levels or that future market conditions will support meaningful growth in this segment.

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 advices 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.

Proposed Acquisition of TansGen SC Tech Limited

In September 2025, the board of directors approved a proposal to pursue a potential acquisition of TansGen SC Tech Limited (the "Target"), as part of the Company's ongoing strategic transition and expansion initiatives.

Since the fourth quarter of 2025, the Company has been engaged in preliminary negotiations with the Target. As of the date of this report, no definitive acquisition agreement has been executed. The Company is still conducting financial, legal and operational due diligence and valuation procedures during the first quarter of fiscal year 2026. The execution of any definitive agreement remains subject to the completion of due diligence, negotiation of final terms, regulatory approvals (if applicable), and other customary closing conditions.

There can be no assurance that a definitive agreement will be executed, that the proposed acquisition will be completed, or that, if completed, the transaction will achieve the anticipated strategic or financial benefits. As of December 31, 2025, no assets or liabilities related to the proposed transaction have been recognized in the Company's consolidated financial statements.

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 fiancé 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 HKSFC 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 HKSFO, 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 HKSFO and the relevant guidelines and codes issued by the HKSFC deal with licensing and registration matter.

The HKSFO is administered by the HKSFC, 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 HKSFC is an independent statutory body which administers the HKSFO 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 HKSFO-Types of Regulated Activities" below. The HKSFC 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 HKSFO

The functions of the HKSFC, 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 HKSFO;
- 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.

The HKSFC operates a system of authorizing corporations and individuals (through licenses) to act as financial intermediaries. Under the HKSFO, 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 HKSFC to carry out that regulatory activity, unless one of the exemptions under the HKSFO 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 HKSFO as a Licensed Representative accredited to his principal.

Types of Regulated Activities Under the HKSFO

The HKSFO 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 HKSFO. 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 HKSFO. 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 HKSFO 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 HKSFC 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 HKSFC. Detailed guidelines to meet the requirements and expectations of the HKSFC are contained in the following publications of the HKSFC:

- "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 HKSFC";
- "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 HKSFC 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 HKSFC.

Managers-in-Charge of Core Functions, or MICs

A licensed corporation is required to designate certain individuals as MICs and provide to the HKSFC 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, ftftx.com,ftftcapital.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, 2025, we had 30 full-time employees and 3 part-time employees. 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* a*nd 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. On June 17, 2025, the Company entered into a settlement and forbearance agreement with FT Global, pursuant to which the company is required to pay FT Global an aggregate amount of $4.0 million over an 18-month period. For the fiscal year ended December 31, 2024 and 2025, the Company paid $1.97 million and $1.85 million, respectively, towards accrued expenses and other payables.

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.

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.

Our listing readiness and preparatory consulting services business is in an early stage and is subject to regulatory interpretation and execution risks, and our ability to develop this business may be affected by regulatory developments and market conditions.

We have recently expanded into listing readiness and preparatory consulting services, which are conducted primarily through our Hong Kong subsidiary, Future FinTech (Hong Kong) Limited, a company incorporated in Hong Kong. In certain limited circumstances, these services may also involve our PRC subsidiary, Future Information Service (Shenzhen) Co., Ltd., a company organized under the laws of the People's Republic of China. All activities relating to this business have been conducted outside of the United States and are expected to continue to be conducted outside of the United States. These services consist of corporate consulting support to private companies that are evaluating or preparing for a potential public listing, including assistance with internal control readiness, financial reporting preparation, corporate governance structuring, coordination with auditors and legal counsel, general preparatory matters relating to listing readiness, and assistance in completing the proposed offering and listing. Neither we, nor our subsidiaries, Future FinTech (Hong Kong) Limited and Future Information Service (Shenzhen) Co., Ltd., engage in underwriting, securities brokerage, placement agent services, or investor solicitation activities in the United States or in any other jurisdiction where we do not hold the required license or registration. Any securities offerings undertaken by our clients are conducted by licensed underwriters, broker-dealers, or other appropriately registered financial institutions retained directly by such clients.

Although we believe our activities are structured as consulting services and are conducted in a manner intended to avoid requiring securities brokerage or similar licenses, the application of securities laws and related regulations in various jurisdictions may involve fact-specific determinations and regulatory interpretation. If regulatory authorities were to determine that additional licensing, registration, or approvals are required in connection with our activities, we could be required to modify our business model, obtain additional approvals, incur increased compliance costs, or suspend certain services.

In addition, this business line is in an early stage of development. As of the date of this report, Future FinTech (Hong Kong) Limited and Future Information Service (Shenzhen) Co., Ltd. have entered into consulting agreements with a limited number of clients. For the fiscal year ended December 31, 2025, the company recognized revenue of $135,605.61. the Company did not recognize any revenue from these services. Client projects remain in preliminary stages, and there can be no assurance that such engagements will progress to completed public listings or generate significant revenue in future periods. Our ability to develop this business will depend on market conditions, client readiness, regulatory developments, and our ability to execute our consulting engagements effectively.

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 sub-divisions. 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 aboard 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 Unities 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 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 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.

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

Shanchun Huang, indirectly and directly beneficially owns 2,250,000 shares, or approximately 42.93% of our outstanding common stock as of March 16, 2026. Wealth Index Capital Limited (the "WICL") is the record shareholder directly holds 2,250,000 shares of the Company's common stock, representing approximately 42.93% of the Company's 5,240,544 outstanding shares of common stock as of March 16, 2026 based on information from the Company's transfer agent. Mr. Shanchun Huang is the sole member of WICL, holds 100% ownership in WICL. As such, Mr. Huang may be deemed a beneficial owner of the 2,250,000 shares of the Company's common stock directly held by WICL pursuant to Section 13(d)(3) of the Act. Mr. Shanchun Huang's beneficial ownership of 42.93% 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. Shanchun Huang 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.

On January 8, 2026, 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-4 reverse stock split of the Company's authorized shares of common stock from 600,000,000 shares to 150,000,000 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 will round up the fractional shares that result from the Reverse Stock Split and no fractional shares will be issued in connection with the 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 Reverse Stock Split. The current pre-split number of shares of commons stock outstanding is 20,193,311 and the post-split number of shares outstanding will be approximately 5,048,328. 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 January 8, 2026.

We have implemented a reverse stock split to address Nasdaq minimum bid price requirements, and there can be no assurance that our common stock will maintain compliance with Nasdaq listing standards.

Our common stock is listed on The Nasdaq Stock Market. Nasdaq requires, among other things, that listed companies maintain a minimum bid price of $1.00 per share. In order to address prior or potential non-compliance with the minimum bid price requirement, we effected a 1-for-4 reverse stock split on January 20, 2026. Although the reverse stock split increased the per-share trading price of our common stock, there can be no assurance that the bid price of our common stock will remain at or above the minimum level required by Nasdaq.

Reverse stock splits do not directly affect the underlying value of a company and are often viewed negatively by the market. The market price of our common stock may decline following the reverse stock split for a variety of reasons, including market perceptions regarding our business, reduced liquidity due to a lower number of shares outstanding, general market conditions, or other factors unrelated to our financial performance. If the bid price of our common stock were to fall below $1.00 per share for an extended period in the future, we could again be subject to deficiency notices, compliance periods, or potential delisting proceedings by Nasdaq.

A delisting of our common stock from Nasdaq could materially and adversely affect the liquidity and market price of our securities, limit our ability to raise capital, reduce analyst coverage, and decrease investor confidence. While we intend to monitor our continued compliance with Nasdaq listing requirements, we may not be able to maintain compliance with the minimum bid price requirement or other listing standards in the future.

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

We have closed Our principal executive office located at Americas Tower, 1177 Avenue of The Americas, Suite 5100, New York, NY 10036 since December 31, 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., a former placement agent of the Company, filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia, and served the complaint that same month. The Company has previously reported developments related to this matter in its filings with the Securities EC, including without limitation, its Annual Report on Form 10-K for the fiscal year ended December 31, 2021, Form 10-K for the fiscal year ended December 31, 2022, Form 10-K for the fiscal year ended December 31, 2023, Form 10-K for the fiscal year ended December 31, 2024, Quarterly Report on Form 10-Q for the fiscal quarter ended on March 31, 2025.

On June 17, 2025, the Company entered into a Settlement and Forbearance Agreement with FT Global to resolve four federal court judgments totaling approximately $4.0 million in cash. In addition, the Company agreed to issue 340,000 shares of its common stock to FT Global and 60,000 shares to its legal counsel, and to issue rights entitling FT Global to receive up to 1.3 million additional shares of common stock, with 650,000 eligible no earlier than six months after signing (Series A Right) and 650,000 eligible no earlier than twelve months after signing (Series B Right). The Company has issued 400,000 shares of common stock in accordance with the foregoing. Under the agreement, FT Global agreed to suspend enforcement actions in exchange for a structured cash settlement and the issuance of shares.

The Company's obligations include instalment payments over 18 months and the issuance of shares pursuant to a court order under Section 3(a)(10) of the Securities Act. The agreement also includes mutual releases and requires the Company to remain current in its SEC filings and maintain its listing on a national securities exchange. Additional details are included in the Company's Current Report on Form 8-K filed on June 20, 2025.

As of the date of this report, the Settlement and Forbearance Agreement remains in effect and the parties are in compliance with the terms.

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. On July 28, 2025, the Plaintiff filed an amended complaint, which the Company and other defendants intend to move to dismiss. On January 20, 2026, the Company and certain of its current and former officers and directors filed a motion to dismiss the derivative complaint pursuant to Rules 12(b)(5) and 12(b)(6) of the Federal Rules of Civil Procedure in the United States District Court for the District of New Jersey.

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 March 16, 2026, there were 5,240,544 shares of our Common Stock issued and outstanding, and the Company had approximately 34 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, 2025 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, 2025, with respect to our equity compensation plans previously approved by stockholders and equity compensation plans not previously approved by stockholders.

	Equity Compensation Plan Information		
Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted average exercise 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	-	$ -	5,000,000

(1) At the Company's 2025 Annual Meeting of Stockholders, stockholders approved an equity incentive plan authorizing the issuance of up to 5,000,000 shares of the Company's common stock. The amounts presented in the table above reflect the number of shares authorized under the plan as of December 31, 2025. On January 20, 2026, the Company effected a 1-for-4 reverse stock split, and the number of shares authorized under the plan was proportionately adjusted to approximately 1,250,000 shares.

As of December 31, 2025, no awards had been granted under the plan, and no shares were subject to outstanding options, warrants, or other rights. The Company has not filed a registration statement on Form S-8 with respect to the shares reserved under the plan.

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 of Our Business

Future FinTech Group Inc. is a Florida holding company with no material operations of its own. We conduct substantially all of our business through subsidiaries, and this structure involves unique risks for investors. We are not a Chinese operating company, although we have had significant operations in China and Hong Kong.

Historically, our business was focused on fruit juice manufacturing and distribution in China. Due to rising production costs and stricter environmental laws, we shifted our operations toward supply chain financing and trading in China, asset management in Hong Kong, cross-border money transfer services in the United Kingdom, brokerage and investment banking in Hong Kong, and cryptocurrency mining in the United States. Most of these activities have since been reduced or exited.

Recent strategic changes include:

- Exit from Variable Interest Entity ("VIE") operations in China – Our VIE, E-Commerce Tianjin, generated minimal revenue since 2021 and was deregistered on March 7, 2024.

- Disposal of Hong Kong asset management operations – In November 2024, we sold our remaining 42.86% interest in Nice Talent Asset Management Limited for approximately $300,000 and ceased asset management activities in Hong Kong.

- Sale of cryptocurrency mining operations – On December 9, 2024, we sold FTFT Super Computing Inc., including the assumption of approximately $973,000 in liabilities and $1.0 million applied toward a litigation judgment.

- Disposition of multiple subsidiaries – On December 18, 2024, we sold Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, Global Key Shared Mall Ltd., Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC through a court-ordered auction for $25,000. On November 18, 2025, we sold Future Commercial Management (Hainan) Co., Ltd. to Xi'an Yinshi Trading Co., Ltd. for $1.4 million (RMB 10 million).

- Closure of Paraguay cryptocurrency venture – FTFT Paraguay S.A., acquired in 2022, was dissolved in December 2023 after we were unable to develop planned operations.

As of December 31, 2025, our principal business operations consist of: sale of fast-moving consumer goods; commission-based trading and consulting services; and supply chain financing and trading.

We currently have one directly controlled subsidiary, Future FinTech (Hong Kong) Limited.

Fast-Moving Consumer Goods ("FMCG")

Since the third quarter of 2024, we entered into FMCG business to tap into the fast-growing online retail market. We operate an online store on reputable e-commerce platform and focus on sales of non-alcoholic beverage and dairy beverages. The business model relies on selling large quantities of goods to generate revenue, as the profit margin on each individual item is usually slim.

Supply Chain Financing Service and Trading in China

Since the second quarter of 2021, we have engaged in the coal supply chain financing service and trading business. Since the third quarter of 2021, we have engaged in aluminum ingots supply chain financing service and trading business. Since the first quarter of 2023, we have engaged in 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 coal, aluminum ingots, sand and steel 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 an agent service fee for the transaction. For the sale of goods where we obtain control of the goods before transferring them 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 the 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, and steel when no control is obtained throughout the transactions. We select customers and suppliers that have good credit and reputation.

However, due to the continuous decline in coal prices and weakening market demand in China, we have significantly scaled down our supply chain financing and trading business segment since late 2025. This business segment generated limited revenue during the year ended December 31, 2025, and we may continue to conduct certain related activities in 2026 depending on market conditions.

Trading Commission and Consulting services

FTFT International Securities and Futures Limited, a company we acquired in November 2023, provides brokerage and investment banking services in Hong Kong. FTFT International Securities and Futures Limited 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.

Meanwhile, we also provide integrated business and financial consulting services that helps our customers turn ambitious goals into financial realities. Through our deep industry expertise, we partner closely with our customers to diagnose complex challenges, develop data-backed strategies, and drive seamless execution. Our consulting services includes but not limited to debt recovery consulting service, listing and financing consulting service etc.

Critical Accounting Policies and Estimates

Discontinued Operations

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 $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.

On February 3, 2025, FTFT UK LIMITED, FTFT Finance UK Limited, Future Fintech Digital Number One US, LP, Future Fintech Digital Number One Offshore, LLC (Cayman), Future Fintech Digital Number One GP, LLC (USA), FTFT Digital Number One, Ltd. (Cayman), Future FinTech Labs Inc, Future Fintech Digital Capital, FTFT CAPITAL INVESTMENTS, DigiPay FinTech Limited, DCON DigiPay Limited-JPN and Global Key Shared Mall Ltd were disposed of for a consideration of US$25,000 after a court auction sale. The gain on disposal was $28.26 million.

On December 16, 2025, Future Commercial Management (Hainan) Co., Ltd. was disposed of for a consideration of $1.4 million (RMB 10.0 million). The gain on disposal was $52,749.

Segment Information Reclassification

We classified our business segments into Trading Commission and Consulting services, Fast-Moving Consumer Goods (FMCG), and Supply Chain Financing and Trading.

Uses of Estimates in the Preparation of Financial Statements

Our 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 are not limited to, the expected credit losses for receivables, estimated useful life and residual value of property and equipment, impairment of long-lived assets, provision for staff benefits, 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.

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.

The Company's 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 prices.

Revenue Recognition

The Company applies 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 our 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.

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 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 (loss) for the years ended December 31, 2025 and 2024 represented foreign currency translation adjustments and were included in the consolidated statements of operation and comprehensive loss.

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 ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property 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.

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 accompanying consolidated financial statements. See Note 2. Summary of Significant Accounting Policies, to our Consolidated Financial Statements for a description of applicable recent accounting pronouncements.

Results of Operations for the Years Ended December 31, 2025 and 2024

The following table summarizes the results of our operations during the years ended December 31, 2025 and 2024, respectively, and provides information regarding the dollar and percentage increase or (decrease) during such fiscal years.

	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
REVENUE	$ 3,829,805	$ 2,114,410	$ 1,715,395	81.13%
Cost of revenue	3,421,485	876,471	2,545,014	290.37%
Gross profit	408,320	1,237,939	(829,619)	(67.02)%
OPERATING EXPENSES				
General and administrative expenses	4,343,383	4,702,662	(359,279)	(7.64)%
Stock-based compensation	1,085,000	670,980	414,020	61.70%
Selling expenses	848,313	635,918	212,395	33.40%
Allowance for credit losses/doubtful accounts	28,138,746	28,113,978	24,768	0.09%
Total operating expenses	34,415,442	34,123,538	291,904	0.86%
LOSS FROM OPERATIONS	**(34,007,122)**	**(32,885,599)**	**(1,121,523)**	**3.41%**
OTHER INCOME (EXPENSES)				
Interest income	61,807	691,257	(629,450)	(91.06)%
Interest expenses	(128,170)	(107,732)	(20,438)	18.97%
Amortization of debt issuance costs	(20,475)	-	(20,475)	(100.00)%
Gain on Debt Restructuring	2,979,948	-	2,979,948	100.00%
Other income (expenses), net	167,758	(1,436,931)	1,604,689	(111.67)%
Total other income (expenses), net	3,060,868	(853,406)	3,914,274	(458.66)%
Loss from Continuing Operations before Income Tax	**(30,946,254)**	**(33,739,005)**	**2,792,751**	**(8.28)%**
Net loss from continuing operations	(30,946,254)	(33,739,005)	2,792,751	(8.28)%
Net income from discontinued operations	28,192,255	559,318	27,632,937	4,940.47%
Net loss	(2,753,999)	(33,179,687)	30,425,688	(91.70)%
COMPREHENSIVE LOSS ATTRIBUTABLE TO Future Fintech Group, Inc.	**$ (4,243,687)**	**$ (32,995,434)**	**$ 28,751,747**	**(87.14)%**

Revenue

The following table sets forth the breakdown of our revenues for the years ended December 31, 2025 and 2024, respectively:

	For the Years Ended December 31,			
	2025	2024	Change	
	Amount	Amount	Amount	%
Fast-Moving Consumer Goods ("FMCG")	$ 3,259,845	$ 25,537	$ 3,234,308	12,665.18%
Supply Chain Financing/Trading	1,349	957,708	(956,359)	(99.86)%
Trading Commission and Consulting services	568,611	1,131,165	(562,554)	(49.73)%
Total revenue	$ 3,829,805	$ 2,114,410	$ 1,715,395	81.13%

Revenue from sales of FMCG increased by $3,234,308, or 12,665.18%, from $25,537 for the year ended December 31, 2024 to $3,259,845 for the year ended December 31, 2025. The increase was primarily attributable to the Company's strategic expansion into the FMCG sector in September 2024, which significantly contributed to revenue growth during the year ended December 31, 2025.

Revenue from supply chain financing/trading decreased by $956,359, or 99.86%, from $957,708 for the year ended December 31, 2024 to $1,349 for the year ended December 31, 2025. The decrease was due to our management's decision to temporarily suspend these operations resulting from lower coal prices and reduced market demand in China during the year ended December 31, 2025.

Revenue from trading commission and consulting services decreased by $562,554, or 49.73%, from $1,131,165 for the year ended December 31, 2024 to $568,611 for the year ended December 31, 2025. The decrease was mainly because a major project, which boosted revenue from consulting service during the year ended December 31, 2024, did not recur during the year ended December 31, 2025.

Gross Profit

The following table sets forth the breakdown of the gross profit for the years ended December 31, 2025 and 2024, respectively:

	For the Years Ended December 31,				Variance	
	2025	%	2024	%	Amount	%
Fast-Moving Consumer Goods (FMCG)	$ 33,144	8.12%	$ 138	- %	$ 33,006	23,917.39%
Supply Chain Financing/Trading	1,347	0.33%	163,753	13.23%	(162,406)	(99.18)%
Trading Commission and Consulting services	373,829	91.55%	1,074,048	86.77%	(700,219)	(65.19)%
Total Amount	$ 408,320	100.00%	$ 1,237,939	100.00%	$ (829,619)	(67.02)%

Overall gross profit decreased by $829,619, or 67.02%, to $408,320 for the year ended December 31, 2025 from $1,237,939 for the year ended December 31, 2024. The decrease was primarily due to the decrease in gross profit from trading commission and consulting services, and supply chain financing/trading which were in line with the decrease in revenue for these two business segments for the year ended December 31, 2025. Although revenue from the FMCG segment increased significantly for the year ended December 31, 2025, gross profit from this business segment did not increase simultaneously due to its low gross margin. Overall gross margin as a percentage of revenue was 10.66% for the year ended December 31, 2025, representing a decrease of 47.89 percentage points from 58.55% for the year ended December 31, 2024, mainly due to the decrease in gross margin for debt recovery consulting service fee, and our gross margin was further eroded by that of the FMCG segment, which accounted for a majority portion of total revenue for the year ended December 31, 2025.

Operating Expenses

The following table sets forth the breakdown of our operating expenses and operating expenses as a percentage of revenue for the years ended December 31, 2025 and 2024, respectively:

	For the Years Ended December 31,					
	2025		2024		Variance	
	Amount	% of revenue	Amount	% of revenue	Amount	% of
General and administrative expense	$ 4,343,383	113.41%	$ 4,702,662	222.41%	$ (359,279)	(7.64)%
Stock compensation expense	1,085,000	28.33%	670,980	31.73%	414,020	61.70%
Selling expenses	848,313	22.15%	635,918	30.08%	212,395	33.40%
Allowance for credit losses/doubtful accounts	28,138,746	734.73%	28,113,978	1,329.64%	24,768	0.09%
Total operating expenses	$ 34,415,442	898.62%	$ 34,123,538	1,613.86%	$ 291,904	0.86%

General and administrative expenses decreased by $359,279, or 7.64%, from $4,702,662 for the year ended December 31, 2024 to $4,343,383 for the year ended December 31, 2025. The decrease was primarily attributable to reduced salary, employee benefit and bonus expenses as a result of the implementation of cost-control measures, as well as a decrease in commission caused by decreased consulting service revenue for the year ended December 31, 2025.

Stock compensation expense increased by $414,020 or 61.70%, from $670,980 for the year ended December 31, 2024 to $1,085,000 for the year ended December 31, 2025. On March 10, 2025, the Compensation Committee of the Board of Directors of the Company granted 125,000 shares of common stock, pursuant to the Company's 2024 Omnibus Equity Plan, to certain officers and employees of the Company and its subsidiaries. As the closing price of the Company stock was $8.68 on March 10, 2025, the Company recorded an expense of $1.09 million in the year ended December 31, 2025.

Selling expenses increased by $212,395, or 33.40%, from $635,918 for the year ended December 31, 2024 to $848,313 for the year ended December 31, 2025. The increase was primarily attributable to increased business entertainment expenses, resulting from our initiatives to expand into new business segments and acquire new customers.

Allowance for credit losses/doubtful accounts increased slightly by $24,768, or 0.09%, from $28,113,978 for the year ended December 31, 2024 to $28,138,746 for the year ended December 31, 2025. Our management will continue monitoring and putting effort in collection of receivables to lower the level of the allowance.

Other Income (Expense), Net

Net other income increased by $3,914,274 or 458.66%, from net other expense of $853,406 for the year ended December 31, 2024 to net other income of $3,060,868 for the year ended December 31, 2025. The increase was primarily due to the gain on debt restructuring during the year ended December 31, 2025. On June 17, 2025, we entered into a settlement and forbearance agreement ("the Agreement") with FT Global. Pursuant to the Agreement, we were required to pay an aggregate settlement amount of $2.0 million and issue a total of 425,000 shares of common stock. Upon the debt restructurings, we recognized a gain of $3.07 million which was recorded as gain on debt restructuring on the consolidated statements of operations and comprehensive loss. The increase in net other income was also attributable to the absence of litigation-related compensation paid to FT Global during the year ended December 31, 2024, and no such cost was incurred during the year ended December 31, 2025.

Net Loss From Continuing Operations

Net loss from continuing operations decreased by $2,792,751, or 8.28%, from $33,739,005 for the year ended December 31, 2024 to $30,946,254 for the year ended December 31, 2025. The decrease was primarily due to the increase in other income, net as discussed above.

Gain on Disposal of Discontinued Operations

Gain on disposal of discontinued operations was $28.31 million for the year ended December 31, 2025, which was related to the transfer of FTFT UK LIMITED, FTFT Finance UK Limited, Future Fintech Digital Number One US, LP, Future Fintech Digital Number One Offshore, LLC (Cayman), Future Fintech Digital Number One GP, LLC (USA), FTFT Digital Number One, Ltd. (Cayman), Future FinTech Labs Inc, Future Fintech Digital Capital, FTFT CAPITAL INVESTMENTS, DigiPay FinTech Limited, DCON DigiPay Limited-JPN, Global Key Shared Mall Ltd. and Future Commercial Management (Hainan) Co., Ltd.

Earnings (Loss) per Share

For the year ended December 31, 2025, basic and diluted loss per share from continuing operations were both $15.52, as compared to loss per share of $64.49 (both basic and diluted) for the year ended December 31, 2024. For the year ended December 31, 2025, basic and diluted earnings per share from discontinued operations were both $13.21, as compared to earnings per share of $1.50 and $1.49 for the year ended December 31, 2024, respectively.

Liquidity and Capital Resources

We currently finance our business operations primarily through convertible notes and the sale of our common stock. Our current cash primarily consists of cash on hand and cash in bank. As of December 31, 2025, we had cash and restricted cash of $5.08 million, representing an increase of $0.31 million from $4.77 million as of December 31, 2024.

Working Capital

Our working capital has historically been generated from our operating cash flows, advances from our customers and convertible notes. Our working capital was $42.55 million as of December 31, 2025, an increase of $34.95 million from working capital of $7.60 million as of December 31, 2024, mainly due to the increase in investment funds and the decrease in accrued expenses and other payables.

Cash Flows

The following is a summary of cash provided by or used in each of the indicated types of activities during the years ended December 31, 2025 and 2024, respectively.

	For the Years Ended December 31,	
	2025	**2024**
Net cash used in operating activities from continuing operations	$ (31,771,593)	$ (20,434,271)
Net cash provided by operating activities from discontinued operations	29,225,270	8,567,715
Net cash used in investing activities from continuing operations	(28,957,019)	(1,720,443)
Net cash provided by financing activities from continuing operations	31,773,098	2,478,258
Effect of exchange rate change on cash and restricted cash	42,297	(141,708)
Net increase (decrease) in cash and restricted cash	312,053	(11,250,449)
Cash and restricted cash, from the continuing operations beginning of year	4,765,111	16,093,190
Less: Cash and restricted cash from the discontinued operations, end of year	-	77,630
Cash and restricted cash, from the continuing operations, end of year	$ 5,077,164	$ 4,765,111

Operating Activities

Net cash used in operating activities from continuing operations amounted to $31.77 million for the year ended December 31, 2025, primarily due to i) a net loss from continuing operations of $30.95 million adjusted for non-cash activities including allowance for credit losses/doubtful accounts of $28.14 million, gain on debt restructuring of $2.98 million and share-based payments of $1.09 million, and ii) net changes in our operating assets and liabilities, which mainly include a) an increase in other receivables of $27.24 million, b) a decrease in accrued expenses and other payables of $2.35 million, c) an increase in advances to suppliers and other current assets of $0.89 million, which was partially offset by a) an increase in accounts payable of $1.04 million, b) an increase in other non-current liabilities of $1.09 million, c) a decrease in accounts receivable of $0.85 million.

Net cash used in operating activities from continuing operations amounted to $20.43 million for the year ended December 31, 2024, primarily due to i) a net loss from continuing operations of $33.74 million adjusted for non-cash activities including allowance for credit losses/doubtful accounts of $28.11 million, and share-based payments of $0.67 million, and ii) net changes in our operating assets and liabilities, which mainly include a) an increase in other receivables of $11.15 million, b) an increase in advances to suppliers and other current assets of $4.67 million, c) a decrease in accrued expenses and other payables of $1.19 million, d) a decrease in accounts payable of $1.08 million, which was partially offset by a decrease in accounts receivable of $2.64 million.

Investing Activities

Net cash used in investing activities from continuing operations amounted to $28.96 million for the year ended December 31, 2025, primarily due to prepayment for a business acquisition of $29.93 million, which was partially offset by repayment from debt investment of $0.84 million.

Net cash used in investing activities from continuing operations amounted to $1.72 million for the year ended December 31, 2024, primarily due to payment for debt investments of $1.54 million and payment for loan receivable of $0.14 million.

Financing Activities

Net cash provided by financing activities from continuing operations amounted to $31.77 million for the year ended December 31, 2025, primarily consisting of i) proceeds from the issuance of common stock, net of issuance costs of $30.00 million, and ii) proceeds from convertible notes payables of $1.80 million.

Net cash provided by financing activities from continuing operations amounted to $2.48 million for the year ended December 31, 2024, primarily consisting of proceeds from the issuance of common stock, net of issuance costs of $2.58 million, which was partially offset by repayment of amounts due to related parties of $0.09 million.

Contractual Obligations

The Company has no long-term fixed contractual obligations or commitments other than leases that are disclosed in Note 8 in the notes to our consolidated financial statements.

Off-balance sheet arrangements

As of December 31, 2025 and 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, 2025.

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, 2025, 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, 2025.

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, 2025 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 March 16, 2026, 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)	52	Chief Executive Officer ("CEO") and Director
Ting Ouyang (2)	41	Chief Financial Officer ("CFO") and Director
David Xu (3)	39	Chairman of the Board, a member of the Audit Committee and a member of Compensation Committee of the Company
Mingyong Hu (4)	47	Independent Director, Chairman of the Audit Committee and a member of Compensation Committee
Mingjie Zhao (5)	60	Independent Director, and Chairman of the Compensation Committee and a member of Audit Committee

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

(2) Ting Ouyang was appointed as CFO and Director of the Company on June 26, 2025.

(3) David Xu was appointed as the Chairman of the Board of the Company on June 26, 2025.

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

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

Hu Li, Chief Executive Officer and Director

Mr. Hu 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, and as Corporate Secretary of the Company since June 2019. Since September 2021, he has served as an independent Director of Shineco Inc. (Nasdaq: SISI). Mr. Li served as the chief supervisor of Anhui Yihai Mining Equipment Co., Ltd., a public company in the China NEEQ stock 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.

Ting (Alina) Ouyang, Chief Financial Officer and Director

Ms. Ouyang, age 41, has served as the Financial Controller of the Company since August 2020. Prior to that, Ms. Ouyang served as the Chief Financial Officer of Weath Index Capital Group from March 2016 to September 2020. Ms. Ouyang served as Internal Control Manager of the Company from September 2020 to December 2023, and as Financial Controller since December 2023. Ms. Ouyang is a Certified Management Accountant (CMA) in the United States. Ms. Ouyang has over 10 years of senior financial management experience and is proficient in financial disclosures, ESG reporting, and investor relations for public companies listed in China, the United States, and Hong Kong. She has led multiple cross-border mergers and acquisitions as well as financing projects and is fluent in English and Mandarin. Ms. Ouyang obtained her bachelor's degree in Business Administration from Beijing Union University in 2008.

David Xu, Chairman of the Board, a member of the audit committee and a member of compensation committee

Mr. David Xu, age 39, has extensive experience in financial services, enterprise management, and investment banking. From July 2022 to May 2025, Mr. Xu served as a middle and senior manager at China CITIC, a comprehensive financial services provider, where he was responsible for assisting companies in going public. From June 2020 to July 2022, he served as a middle manager at China Construction Bank, where he focused on helping companies secure funding and complete initial public offerings. Mr. Xu has been deeply involved in the listing projects of several prominent companies in both China and overseas capital markets. He possesses in-depth knowledge of the listing procedures, regulatory frameworks, and market environments across major international capital markets. Mr. Xu obtained his master's degree in Business Administration from The Australian National University in 2020 and his master's degree in Law from the University of International Business and Economics in 2011.

Mingyong Hu, member of the Board, Chairman of the Audit Committee and a member of Compensation Committee

Mr. Mingyong Hu, age 47, 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.

Mingjie Zhao, member of the Board and Chairman of the Compensation Committee and a member of Audit Committee

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: CLG). 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.

All of our directors and officers reside outside of the United States, except for Mr. Mingjie Zhao. Mr. Hu Li, Mr. Ting Ouyang, Mr. Mingyong Hu, Mr. David Xu reside in China.

Board Diversity Matrix

Board Diversity Matrix (As of March 16, 2026)

Total Number of Directors				5
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	1	4	0	0
Part II: Demographic Background				
Asian (other than South Asian)			5	

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, 2025,.

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.ftft.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 12 regularly scheduled and special meetings during fiscal year 2025. 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 12, 2025 shareholders annual meeting by tele-conference or in person.

Audit Committee

On April 25, 2008, the Board formed an audit committee. Mr. Mingyong Hu, Mr. David Xu and Mingjie Zhao currently serve on the audit committee, which is chaired by Mr. Mingyong Hu. 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 2025, 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.ftft.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. Mr. Mingyong Hu, Mr. David Xu and Mingjie Zhao currently serve on the compensation committee, which is chaired by Mr. Mingjie 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 4 meetings during fiscal year 2025. The compensation committee has a written charter, which is available on the Company's website at http://www.ftft.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. David Xu, an independent director, serves as Chairman of the Board. The Board of Directors believes that this leadership structure, with Mr. David Xu 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. David Xu 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.

Stock Incentive Plans

The Board of Directors of the Company approved and adopted the Future FinTech Group Inc. 2025 Omnibus Equity Plan, which was approved by the shareholders at the shareholders annual meeting on December 12, 2025, to provide equity awards to employees, directors and consultants of the Company (the "2025 Plan"). There are 5,000,000 shares of commons stock available for awards under 2025 Plan (All the share numbers stated here are before the 1 for 4 reverse stock split effected in January 20, 2026). As of December 31, 2025, no awards had been granted under the plan, and no shares were subject to outstanding options, warrants, or other rights.

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 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 June 13, 2025, the Company received a resignation letter from Mr. Peng Lei to resign from his position as the Chief Operating Officer ("COO") of the Company, effective on June 15, 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. The agreement provides that Mr. Yi receives compensation in the amount of $4,000 per month before tax. Mr. Ming Yi resigned from his position as the CFO of the Company, effective on June 25, 2025. On June 26, 2025, the Board appointed Ms. Ting (Alina) Ouyang as a director of the Board and the CFO of the Company, effective immediately, to fill the vacancy following the resignation of Ms. Ying Li. The Agreement provides that Ms. Ouyang will receive compensation in the amount of $2,500 per month before tax and the term of the Agreement is for three (3) years. On September 22, 2025, the Company approved an increase in Ms. Ouyang's monthly salary to $4,200.

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, 2025 and 2024.

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 ($)
Ming Yi (1)	12/31/2024	$ 47,180	-						$47,180
	12/31/2025	$ 23,856							$23,856
Hu Li (2)	12/31/2024	$ 49,389		$					$49,389
	12/31/2025	$ 91,254							$91,254
Peng Lei (3)	12/31/2024	$ 50,753							$50,753
	12/31/2025	$ 25,340							$25,340
Ting Ouyang(4)	12/31/2025	$ 23,513							$23,513
Shanchun Huang (5)	12/31/2024	$ 90,740		$					$90,740

(1) On November 30, 2020, the Board of the Directors appointed Mr. Ming Yi as the CFO of the Company. On June 25, 2025, the Board of Directors (the "Board") of the Company received a resignation letter from Mr. Ming Yi to resign from his positions as the Chief Financial Officer ("CFO") of the Company.

(2) On August 5, 2024, Mr. Hu Li was appointed ad CEO and President of the Company.

(3) On June 13, 2025, the Company received a resignation letter from Mr. Peng Lei to resign from his position as the Chief Operating Officer ("COO") of the Company, effective on June 15, 2025.

(4) On June 26, 2025, the Board appointed Ms. Ting (Alina) Ouyang as a director of the Board and the CFO of the Company, effective immediately, to fill the vacancy following the resignation of Ms. Ying Li.

(5) 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.

Outstanding Equity Awards at December 31, 2025

No outstanding equity awards held by named executive officers as of December 31, 2025.

Compensation of Directors

The following table sets forth information concerning cash and non-cash compensation paid by us to our directors during 2025.

Name	Fees Paid in Cash ($)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Ying Li(1)	$ 23,940	-	-	-	-	-	$ 23,940
Fuyou Li(2)	$ 9,000	-	-	-	-	-	$ 9,000
David Xu (3)	$ -	-	-	-	-	-	$ -
Mingyong Hu (4)	$ 11,250	-	-	-	-	-	$ 11,250
Hu Li (5)	$ 23,940	$ 44,400	-	-	-	-	$ 68,340
Mingjie Zhao (6)	$ 25,000	-	-	-	-	-	$ 25,000
Ting Ouyang (7)	$ -					-	$ -

(1) On June 20, 2025, Ying Li resigned from her positions as a director of the Board and the Vice President of the Company.

(2) On June 20, 2025, Mr. Fuyou Li resigned from his position as the Chairman of the Board and as a member of the Board's audit and compensation committees.

(3) On June 26, 2025, the Board appointed Mr. David Xu as the Chairman of the Board and a member of both the audit committee and compensation committee. Mr. David Xu is entitled for $10,000 per annum as compensation.

(4) On October 1, 2024, 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. Johonson (Shun-Pong) 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.

(7)On June 26, 2025, the Board appointed Ms. Ting (Alina) Ouyang as a director of the Board and the CFO of the Company, effective immediately, to fill the vacancy following the resignation of Ms. Ying Li.

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 March 16, 2026 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.

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 March 16, 2026 or issuable upon conversion of convertible securities which are currently convertible or convertible within 60 days of March 16, 2026 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., 02B-03A, 23/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

Shares Beneficially Owned

Name of Beneficial Owner	Number	Percent
Directors and Named Executive Officers		
Hu Li	7,500	0.14%
Ting Ouyang	-	-%
Mingjie Zhao	-	-
David Xu	-	-
Mingyong Hu	-	-
All current directors and name executive officers as a group (5 persons)	7,500	0.14%
5% or Greater Shareholders		
Wealth Index Capital Limited *	2,250,000	42.93%
All 5% or Greater Shareholders	2,250,000	42.93%

* Shanchun Huang, indirectly and directly beneficially owns 2,250,000 shares, or approximately 42.93% of our outstanding common stock as of March 16, 2026. Wealth Index Capital Limited (the "WICL") is the record shareholder directly holds 2,250,000 shares of the Company's common stock, representing approximately 42.93% of the Company's 5,240,544 outstanding shares of common stock as of March 16, 2026 based on information from the Company's transfer agent. Mr. Shanchun Huang is the sole member of WICL, holds 100% ownership in WICL. As such, Mr. Huang may be deemed a beneficial owner of the 2,250,000 shares of the Company's common stock directly held by WICL pursuant to Section 13(d)(3) of the Act.

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

For details of related party transactions, see Note 14 “Related Party Transaction” to our consolidated financial statements.

Director Independence

We currently have five directors. Three of our current directors, Mr. Mingyong Hu, David Xu 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 2025 and 2024. All of the services described in the following fee table were approved in conformity with the audit committee’s pre-approval process.

Audit Fees

	2025	2024
Audit Fees	$ 295,400	$ 354,440
Tax Fees	—	—
All Other Fees	—	63,000
Total	$ 295,400	$ 417,440

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 2025 and 2024 financial statements. $295,400 and $354,440 were paid to Fortune CPA for audit of our fiscal years 2025 and 2024 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 $63,000 was paid for review of our 2023 annual report in 2024. No other fees were incurred or paid during fiscal year 2025 other than disclosed herein.

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 2025 were pre-approved by the audit committee.

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	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.
2.2	Securities Transfer Agreement dated November 18, 2025 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed with the Commission on December 17, 2025).
3.1	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.
3.2	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.
3.3	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.
3.4	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.
3.5	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.
3.6	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.
3.7	Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Registrant filed with Department of State of Florida on March 27, 2025. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on April 1, 2025.
3.8	Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Registrant filed with Department of State of Florida on September 8, 2025. *
3.9	Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Registrant filed with Department of State of Florida on January 8, 2026. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the Commission on January 14, 2026.
3.10	Amended and Restated Bylaws, dated August 6, 2025. Incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed with the Commission on August 26, 2025.
4.1	Description of Securities of the Registrant registered under Section 12 of the Securities Exchange Act of 1934, as amended.*

Exhibit Number	Description
10.1	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.
10.2	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.
10.3	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.
10.4	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.
10.5	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.
10.6	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.
10.7	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.
10.8	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.
10.9	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
10.10	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.
10.11	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.
10.12	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.
10.13	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.
10.14	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.
10.15	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.
10.16	Employment Agreement by and between Future FinTech Group, Inc. and Ms. Ting Ouyang, dated September 22, 2025. *
10.17	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.
10.18	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.
10.19	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.
10.20	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.

Exhibit Number	Description
10.21	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.
10.22	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.
10.23	Director Agreement by and between Future FinTech Group, Inc. and Mr. David Xu, dated June 25, 2025. *
10.24	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.
10.25	Form Securities Purchase Agreements dated July 24, 2025. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on July 31, 2025
10.26	Form Pre-Paid Securities Purchase Agreements dated July 28, 2025. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on July 31, 2025
10.27	Form Pre-Paid Purchase#1 Agreement dated July 28, 2025. Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed with the Commission on July 31, 2025
10.28	Form Registration Rights Agreement dated July 28, 2025. Incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed with the Commission on July 31, 2025
10.31	Form Pre-Paid Purchase#2 Agreement dated September 22, 2025. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the Commission on September 26, 2025.
10.32	Waiver Letter dated September 22, 2025. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the Commission on September 26, 2025.
14.1	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.
19.1	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.
21.1	Description of Subsidiaries of the Registrant*
23.1	Consent of Fortune CPA Inc.*
31.1	Rule 13a-14(a) Certification of Principal Executive Officer of Registrant*
31.2	Rule 13a-14(a) Certification of Principal Financial Officer of Registrant*
32.1	Section 1350 Certification of Principal Executive Officer of Registrant.†
32.2	Section 1350 Certification of Principal Financial Officer of Registrant.†
97.1	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.
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.

March 18, 2026

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 Ting Ouyang, 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

Name and Title	Date
/s/ Hu Li Hu Li Chief Executive Officer, President and Director (Principal Executive Officer and Director)	March 18, 2026
/s/ Ting Ouyang Ting Ouyang Chief Financial Officer and Director (Principal Financial and Accounting Officer)	March 18, 2026
/s/ David Xu David Xu Chairman of the Board of Directors and Director	March 18, 2026
/s/ Mingjie Zhao Mingjie Zhao, Director	March 18, 2026
/s/ Mingyong Hu Mingyong Hu, Director	March 18, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements of Future FinTech Group Inc.

Report of Independent Registered Public Accounting Firm (PCAOB ID: 6901)	F-2
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2025 and 2024	F-4
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2025 and 2024	F-4
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2025 and 2024 for the Years Ended December 31, 2025 and 2024	F-5
Consolidated Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7

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, 2025 and 2024, 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, 2025 and 2024, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

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

Critical Audit Matters

The critical audit 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.

Garden Grove, CA

March 18, 2026
PCAOB # 6901

FUTURE FINTECH GROUP INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2025	December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	$ 2,396,619	$ 4,765,111
Restricted cash	2,680,545	-
Short - term investment	1,423	1,391
Accounts receivable, net	605,236	2,088,962
Other receivables, net	10,880,977	10,659,568
Contract assets	1,436	-
Investment Funds	30,413,300	-
Advances to suppliers and other current assets, net	3,780,896	4,433,695
Loan receivables	-	139,113
Amount Due from Related Party	-	20,000
Assets related to discontinued operation-current	-	8,187,785
TOTAL CURRENT ASSETS	**50,760,432**	**30,295,625**
Property and equipment, net	149,904	238,233
Right of use assets - operating lease	203,828	368,982
Intangible assets, net	475,466	532,822
Debt investment	711,359	1,530,243
Long-term receivable, net	986,345	-
Assets related to discontinued operation-Non current	-	2,515,771
TOTAL ASSETS	**$ 53,287,334**	**$ 35,481,676**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 3,261,785	$ 2,219,301
Accrued expenses and other payables	2,219,258	10,030,538
Advances from customers	223,472	30,559
Convertible notes payables	1,734,044	553,086
Lease liability - current	174,423	179,207
Amounts due to related parties	596,924	8,871
Liability related to discontinued operation	-	9,670,541
TOTAL CURRENT LIABILITIES	**8,209,906**	**22,692,103**
		-
NON-CURRENT LIABILITIES		
Other non-current liabilities	1,088,809	-
Lease liability-non-current	30,929	192,754
TOTAL NON-CURRENT LIABILITIES	**1,119,738**	**192,754**
TOTAL LIABILITIES	**$ 9,329,644**	**$ 22,884,857**
		-
STOCKHOLDER' EQUITY		-
Common stock, $0.001 par value; 150,000,000 shares authorized; 5,048,328 shares and 611,771 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively*	5,048	612
Additional paid-in capital	271,044,885	237,498,011
Statutory reserve	98,357	98,357
Accumulated deficits	(223,505,599)	(218,885,534)
Accumulated other comprehensive loss	(3,685,001)	(4,248,561)
Total FUTURE FINTECH GROUP INC. stockholders' equity	**43,957,690**	**14,462,885**
Non-controlling interests	-	(1,866,066)
TOTAL STOCKHOLDERS' EQUITY	**43,957,690**	**12,596,819**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 53,287,334**	**$ 35,481,676**

* All shares and per share data have been retroactively restated to reflect reverse stock split effected on April 1, 2025 and January 8, 2026.

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

FUTURE FINTECH GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATION AND COMPREHENSIVE LOSS

	For the Years Ended December 31,	
	2025	**2024**
Revenue	$ 3,829,805	$ 2,114,410
Cost	3,421,485	876,471
Gross profit	**408,320**	**1,237,939**
Operating Expenses		
General and administrative expenses	4,343,383	4,702,662
Stock-based compensation	1,085,000	670,980
Selling expenses	848,313	635,918
Allowance for credit losses/doubtful accounts	28,138,746	28,113,978
Total operating expenses	**34,415,442**	**34,123,538**
Loss from operations	**(34,007,122)**	**(32,885,599)**
Other income (expenses)		
Interest income	61,807	691,257
Interest expenses	(128,170)	(107,732)
Amortization of debt issuance costs	(20,475)	-
Gain on Debt Restructuring	2,979,948	-
Other income (expenses), net	167,758	(1,436,931)
Total other income (expenses), net	**3,060,868**	**(853,406)**
Loss from Continuing Operations before Income Tax	**(30,946,254)**	**(33,739,005)**
Income tax provision	-	-
Deferred income tax	-	-
Loss from Continuing Operations	**(30,946,254)**	**(33,739,005)**
Discontinued Operations		
Loss from discontinued operations	(119,292)	(494,837)
Gain on disposal of discontinued operations	28,311,547	1,054,155
NET LOSS	**$ (2,753,999)**	**$ (33,179,687)**
Less: Net Income (Loss) attributable to non-controlling interests of discontinued operations	1,866,066	(223,815)
Less: Net Loss attributable to non-controlling interests of continued operations	-	-
Net loss attributable to Future Fintech Group, Inc.	**$ (4,620,065)**	**$ (32,955,872)**
Other comprehensive income (loss)		
Loss from continuing operations	$ (30,946,254)	$ (33,739,005)
Foreign currency translation - Continuing Operations	563,560	(192,446)
Comprehensive Loss - Continuing Operations	**$ (30,382,694)**	**$ (33,931,451)**
Income from discontinued operations	$ 28,192,255	$ 559,318
Foreign currency translation - Discontinued Operations	(187,182)	152,884
Comprehensive Income - Discontinued Operations	**$ 28,005,073**	**$ 712,202**
Comprehensive Loss	**$ (2,377,621)**	**$ (33,219,249)**
Less: Comprehensive income attributable to non-controlling interests of continuing operations	-	-
Less: Comprehensive income (loss) attributable to non-controlling interests of discontinued operations	1,866,066	(223,815)
COMPREHENSIVE LOSS ATTRIBUTABLE TO FUTURE FINTECH GROUP, INC.	**$ (4,243,687)**	**$ (32,995,434)**
Earnings per share:		
Basic earnings per share from continuing operation	$ (15.52)	$ (64.49)
Basic earnings per share from discontinued operation	13.21	1.50
	$ (2.31)	$ (62.99)
Diluted Earnings per share:		
Diluted earnings per share from continuing operation	$ (15.52)	$ (64.49)
Diluted earnings per share from discontinued operation	13.21	1.49
	$ (2.31)	$ (63.00)
Weighted average number of shares outstanding		
Basic	1,993,406	523,202
Diluted	1,993,406	524,255

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

FUTURE FINTECH GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common stock		Additional paid-in	Statutory	Accumulated	Accumulative other comprehensive	Non-controlling	
	Shares	Amount	capital	reserve	Deficits	(loss)	interests	Total
Balance at December 31, 2023	445,872	$ 446	$233,908,386	$ 98,357	$(185,929,662)	$ (4,094,276)	$(1,568,207)	$ 42,415,044
Issuance of common stocks-cash	53,763	54	2,580,588	-	-	-	-	2,580,642
Issuance of common stocks-conversion of debt	59,386	59	624,941	-	-	-	-	625,000
Net loss from continuing operations	-	-	-	-	(33,739,005)	-	-	(33,739,005)
Net income from discontinued operations	-	-	-	-	(494,837)	-	-	(494,837)
Share-based payments-omnibus equity plan	52,750	53	670,927	-	-	-	-	670,980
Foreign currency translation adjustment	-	-	-	-	-	(307,169)	-	(307,169)
Disposition of discontinued operation	-	-	(286,831)	-	1,277,970	152,884	(297,859)	846,164
Balance at December 31, 2024	611,771	$ 612	$237,498,011	$ 98,357	$(218,885,534)	$ (4,248,561)	$(1,866,066)	$ 12,596,819
Issuance of common stocks-cash	3,750,000	3,750	29,996,250	-	-	-	-	30,000,000
Issuance of common stocks-conversion of debt	64,687	65	572,681	-	-	-	-	572,746
Issuance of common stocks - Debt Restructuring	110,000	110	470,690	-	-	-	-	470,800
Net loss from continuing operations	-	-	-	-	(30,946,254)	-	-	(30,946,254)
Net income from discontinued operations	-	-	-	-	(119,292)	-	-	(119,292)
Effect to rounding fractional shares into whole shares upon reverse stock split	10,620	10	(10)	-	-	-	-	-
Share-based payments-omnibus equity plan	125,000	125	1,084,875	-	-	-	-	1,085,000
Pending Equity Settlement	-	-	1,282,364	-	-	-	-	1,282,364
Pre-delivery ordinary shares for conversion of convertible notes payables	361,250	361	(361)	-	-	-	-	-
Commitment Shares for conversion of convertible notes payables	15,000	15	140,385	-	-	-	-	140,400
Foreign currency translation adjustment	-	-	-	-	-	750,742	-	750,742
Disposition of discontinued operation	-	-	-	-	26,445,481	(187,182)	1,866,066	28,124,365
Balance at December 31, 2025	5,048,328	$ 5,048	$271,044,885	$ 98,357	$(223,505,599)	$ (3,685,001)	$ -	$ 43,957,690

All shares and per share data have been retroactively restated to reflect reverse stock split effected on April 1, 2025 and January 8, 2026.

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

FUTURE FINTECH GROUP INC.
CONSOLIDATED CASH FLOW

	For the Years Ended December 31,	
	2025	**2024**
Cash Flows from Operating Activities:		
Net loss	$ (2,753,999)	$ (33,179,687)
Net income from discontinued operation	28,192,255	559,318
Net loss from continuing operation	(30,946,254)	(33,739,005)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	95,630	116,018
Loss from disposal of property and equipment	214	60
Amortization of debt issuance costs	20,475	-
Amortization	57,035	57,035
Allowance for credit losses/doubtful accounts	28,138,746	28,113,978
Share-based payments	1,085,000	670,980
Gain on Debt Restructuring	(2,979,948)	-
Interest expenses related to convertible note	73,628	77,363
Changes in operating assets and liabilities:		
Accounts receivable	846,711	2,637,772
Other receivable	(27,237,305)	(11,149,714)
Contract assets	(1,436)	-
Advances to suppliers and other current assets	(894,107)	(4,667,096)
Operating lease assets and liabilities	(1,455)	(7,248)
Accounts payable	1,042,484	(1,082,415)
Accrued expenses and other payables	(2,352,733)	(1,188,847)
Advances from customers	192,913	(273,152)
Other non-current liabilities	1,088,809	-
Net Cash Used in Operating Activities from Continuing Operations	**(31,771,593)**	**(20,434,271)**
Net Cash Provided by Operating Activities from Discontinued Operations	**29,225,270**	**8,567,715**
Cash Flows from Investing Activities:		
Additions to property and equipment	(3,720)	(34,056)
Debt investment	839,997	(1,544,580)
Increase of Financial Products	-	(1,391)
Payment for loan receivable	-	(140,416)
Repayment of loan receivable	140,000	-
Reserve for business acquisition	(29,933,296)	-
Net Cash Used in Investing Activities from Continuing Operations	**(28,957,019)**	**(1,720,443)**
Net Cash Used in Investing Activities from Discontinued Operations	-	-
Cash Flows from Financing Activities:		
Proceeds from the issuance of common stock, net of issuance costs	30,000,000	2,580,642
Proceeds received from investors for convertible notes payable of pre-delivery ordinary shares	1,445	-
Proceeds from convertible notes payables	1,800,000	-
Proceeds from (Payment made for) amounts due from related parties, net	20,000	(7,849)
Repayment of amounts due to related parties, net	(48,347)	(94,535)
Net Cash Provided by Financing Activities from Continuing Operations	**31,773,098**	**2,478,258**
Net Cash Provided by Financing Activities from Discontinued Operations	-	-
Effect of Exchange Rate Changes on Cash and Restricted Cash	42,297	(141,708)
Net Increase (Decrease) in Cash and Restricted Cash	**312,053**	**(11,250,449)**
Cash and Restricted Cash, from the continuing operations beginning of Year	4,765,111	16,093,190
Cash and Restricted Cash at end of Year	5,077,164	4,842,741
Less: Cash and Restricted Cash from the discontinued operations, end of year	-	77,630
Cash and Restricted Cash, from the continuing operations end of year	$ 5,077,164	$ 4,765,111
Noncash activities		
Issuance of common stocks for conversion of debts	$ 572,746	$ 625,000
Debt settlement by issuance of common stock	$ 470,800	$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ 108,454

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

1. CORPORATE INFORMATION

Future FinTech Group Inc. (the "Company") is a holding company incorporated under the laws of the State of Florida. The Company has historically been 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 has 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. The Company also expanded into brokerage and investment banking business in Hong Kong. The Company had a contractual arrangement 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 authorities on March 7, 2024.

On March 27, 2025, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment I") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment I, 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 "Reverse Stock Split I"). The common stock will continue to be $0.001 par value. The Company rounded up the fractional shares that resulted from the Reverse Stock Split I and no fractional shares were issued in connection with the Reverse Stock Split I and no cash or other consideration will be paid in connection with any fractional shares that would otherwise have resulted from the Reverse Stock Split I. 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 1:00 pm E.T. on April 1, 2025.

On September 2, 2025, the Company held a special meeting of stockholders (the "Special Meeting"). At the Special Meeting, the shareholders approved the Third Amended and Restated Articles of Incorporation to increase the number of authorized shares of common stock from 6,000,000 to 600,000,000.

On January 8, 2026, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment II") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment II, the Company has authorized and approved a 1-for-4 reverse stock split of the Company's authorized shares of common stock from 600,000,000 shares to 150,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock (the "Reverse Stock Split II"). The common stock will continue to be $0.001 par value. The Company rounded up the fractional shares that resulted from the Reverse Stock Split II and no fractional shares were issued in connection with the Reverse Stock Split II and no cash or other consideration will be paid in connection with any fractional shares that would otherwise have resulted from the Reverse Stock Split II. 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 1:00 pm E.T. on January 8, 2026.

Both of the reverse stock splits described above would be reflected in the Company's December 31, 2025 and 2024 statements of changes in stockholders' equity, and in per share data for all periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and principles of consolidation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the U.S. Securities Exchange Commission (the "SEC"). The accompanying consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated upon consolidation.

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.

Discontinued Operations

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 $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.

On February 3, 2025, FTFT UK LIMITED, FTFT Finance UK Limited, Future Fintech Digital Number One US, LP, Future Fintech Digital Number One Offshore, LLC (Cayman), Future Fintech Digital Number One GP, LLC (USA), FTFT Digital Number One, Ltd. (Cayman), Future FinTech Labs Inc, Future Fintech Digital Capital, FTFT CAPITAL INVESTMENTS, DigiPay FinTech Limited, DCON DigiPay Limited-JPN and Global Key Shared Mall Ltd were disposed of for a consideration of US$25,000 after a court auction sale. The gain on disposal was $28.26 million.

On December 16, 2025, Future Commercial Management (Hainan) Co., Ltd. was disposed of for a consideration of $1.4 million (RMB 10.0 million). The gain on disposal was $52,749.

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 its business segments into Trading Commission and Consulting services, Fast-Moving Consumer Goods ("FMCG"), and Supply Chain Financing and Trading.

Uses of Estimates in the Preparation of Financial Statements

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 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 are not limited to, the expected credit losses for receivables, estimated useful life and residual value of property and equipment, impairment of long-lived assets, provision for staff benefits, 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 the Company's 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 from continuing operations amounted to $30.95 million, and it had negative operating cash flows from continuing operations of $31.77 million for the year ended December 31, 2025. 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 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 accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets, such as property 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.

The Company's 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 prices.

Earnings 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, 2025:

	Income (Loss)	Shares	Pre-share amount
Loss from continuing operations attributable to Future Fintech Group, Inc.	$ (30,946,254)	1,993,406	$ (15.52)
Income from discontinued operations attributable to Future Fintech Group, Inc.	$ 26,326,189	1,993,406	$ 13.21
Basic and Diluted EPS:			
Loss to common stockholders from continuing operations	$ (30,946,254)	1,993,406	$ (15.52)
Income available to common stockholders from discontinued operations	$ 26,326,189	1,993,406	$ 13.21

For the year ended December 31, 2024:

	Income (Loss)	Shares	Pre-share amount
Loss from continuing operations attributable to Future Fintech Group, Inc.	$ (33,739,005)	523,202	$ (64.49)
Income from discontinued operations attributable to Future Fintech Group, Inc.	$ 783,133	523,202	$ 1.50
Basic EPS:			
Loss to common stockholders from continuing operations	$ (33,739,005)	523,202	$ (64.49)
Income available to common stockholders from discontinued operations	$ 783,133	523,202	$ 1.50
Diluted EPS:			
Warrants	-	1,053	-
Diluted income 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 continuing operations attributable to Future Fintech Group, Inc.	$ (33,739,005)	524,255	$ (64.49)
Diluted income per share is calculated by taking net loss, divided by the diluted weighted average common shares outstanding from discontinued operations	$ 783,133	524,255	$ 1.49

Cash and Cash Equivalents

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 HKD800,000, in the United States of America are only insured by the Federal Deposit Insurance Corporation up to USD250,000, 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 Credit Losses

Accounts receivable are recognized and carried at the original invoice amounts less an allowance for any uncollectible amount. The Company has a policy of reserving for uncollectible accounts based on the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company performs ongoing credit evaluations of the Company's customers and maintains 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 credit losses. The Company has a policy of reserving for uncollectible accounts based on the Company's best estimate of the amount of probable impairment losses in the Company's existing receivables.

Allowances for credit losses 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 "Allowance for credit losses/doubtful accounts" in the consolidated statements of comprehensive loss. The Company determines 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, the Company uses 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. The Company may also record a general allowance as necessary.

Direct write-offs are taken in the period when the Company has exhausted the Company's efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that the Company should abandon such efforts.

The Company has assessed its accounts receivable including credit terms and corresponding all its accounts receivable as of December 31, 2025. Allowance for credit losses on accounts receivable amounted to $650,202 and $2,785 as of December 31, 2025 and 2024, respectively. Accounts receivable of $1.07 million and $1.15 million have been outstanding for over 90 days as of December 31, 2025 and 2024, respectively. Allowance for credit losses on other receivables amounted to $522,406 and $9,519,301 as of December 31, 2025 and 2024, respectively. Allowance for credit losses on advances to suppliers amounted to $2,577,629 and $3,537,434 as of December 31, 2025 and 2024, respectively.

Revenue Recognition

The Company applies 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. The Company assesses 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. The Company allocates 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.

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

Revenue recognition is as follows:

Sales of fast-moving consumer goods

The Company operates an e-commerce platform specializing in fast-moving consumer goods. For sales transacted through the Company's online stores in mainland China, the standard return policy permits customers to return eligible products within seven days of purchase. Historically, customer returns were immaterial. Revenue from sales of fast-moving consumer goods was $3,259,845 and $25,537 during the years ended December 31, 2025 and 2024, respectively.

Provision of trading commission and consulting services

The Company provides stock trading services and charges commission and service fees. The Company recognizes revenue when such services are rendered to customers. Additionally, the Company generates revenue from financial advisory services, which primarily consist of fees from private equity placements and initial public offerings for its customers. These services are customized with no alternative use. For projects where the Company has an enforceable right to payment for performance completed to date, revenue is recognized over time when contract obligations have been performed. For such arrangements, the Company uses the input method to recognize revenue, based on the ratio of actual costs incurred to the total estimated costs for the contract. For consulting projects where the Company does not have an enforceable right to payment for performance completed to date, revenue is recognized at the point in time the projects are completed and accepted by customers. Revenue from provision of trading commission and consulting services was $568,611 and $1,131,165 during the years ended December 31, 2025 and 2024, respectively.

Revenue from supply chain financing/trading

The Company recognizes 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 from supply chain financing/trading was $1,349 and $957,708 during the years ended December 31, 2025 and 2024, respectively.

Property and Equipment

Property 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 loss.

The Company estimated that the residual value of the Company's property and equipment ranges from 3% to 5%. Property and equipment are depreciated over their estimated useful lives as follows:

Office equipment, fixtures and furniture	3-5 years
Vehicle	5 years
Leasehold improvements	Lesser of useful life and lease term

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the consolidated statements of income and comprehensive income in other income or expenses.

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 5-10 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.

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 the historical exchange rate.

The exchange rate the Company used to convert RMB to USD was 7.03:1 and 7.19:1 at the balance sheet dates of December 31, 2025 and 2024, respectively. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates the Company used to convert RMB to USD were 7.14:1 and 7.12:1 for the years ended December 31, 2025 and 2024, respectively.

The exchange rate the Company used to convert HKD to USD was 7.78:1 and 7.76:1 at the balance sheet dates of December 31, 2025 and 2024. The average exchange rate for the period has been used to translate revenues and expenses. The average exchange rates the Company used to convert HKD to USD were 7.80:1 and 7.80:1 for the years ended December 31, 2025 and 2024, respectively.

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 as operating expenses in "Other income" in the consolidated statements of operations and comprehensive loss 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

The Company uses 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. The Company has no material uncertain tax positions for any of the reporting periods presented.

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, 2025 and 2024, the short-term investments amounted to $1,423 and $1,391, respectively.

Long-term investments

Long-term investments consist primarily of investments in debt investments with original maturities between three years and more. Fair valued or carried at amortized costs. As of December 31, 2025 and 2024, the long-term investments amounted to $711,359 and $1,530,243, respectively. During the year ended December 31, 2025, the Company has collected repayment of $818,884 (RMB6.0 million) of the December 31, 2024 debt investment balance. The Company did not recognize an impairment for its long-term investment as all the debt investments are deemed collectible.

Lease

The Company follows ASU No. 2016-02, Leases (Topic 842), or ASC 842. The Company determines if an arrangement is a lease or contains a lease at lease inception. For operating leases, the Company recognizes 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 the Company's leases do not provide an implicit rate, the Company estimates the 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. The Company's leases often include options to extend and lease terms include such extended terms when the Company is reasonably certain to exercise those options. Lease terms also include periods covered by options to terminate the leases when the Company is 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.

New Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures. This ASU requires entities to 1. disclose amounts of (a) purchase of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and, (e) depreciation, depletion, and amortization recognized as part of oil-and gas-producing activities, 2. include certain amounts that are already required to be disclosed under current Generally Accepted Accounting Principles in the same disclosures as other disaggregation requirements, 3. disclose a qualitative description of the amounts remaining in relevant expense captions that are not necessarily disaggregated quantitatively, and 4. disclose the total amount of selling expenses, in annual reporting periods, an entity's definition of selling expense. The ASU is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Additionally, in January 2025, the FASB issued ASU No. 2025-01 to clarify the effective date of ASU 2024-03. The standard provides guidance to expand disclosures related to the disaggregation of income statement expenses. The standard requires, in the notes to the financial statements, disclosure of specified information about certain costs and expenses which includes purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, on a retrospective or prospective basis, with early adoption permitted. The Company plans to adopt this guidance effective January 1, 2027 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

In November 2024, the FASB issued ASU No. 2024-04, "Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments". The amendments provide guidance on accounting for induced conversions of convertible debt instruments. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for entities that have adopted the amendments in ASU 2020-06. Early adoption is permitted. The Company adopted this guidance effectively January 1, 2026 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

In May 2025, the FASB issued ASU No. 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Accounting Acquirer in a Business Combination Involving a Variable Interest Entity". This ASU clarifies that when a business that is a VIE is acquired primarily with equity interests, the determination of the accounting acquirer should follow ASC 805 rather than defaulting to the primary beneficiary under ASC 810. The standard is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The Company plans to adopt this guidance effective January 1, 2027 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

In May 2025, the FASB issued ASU No. 2025-04, “Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606)”: Clarifications to Share-Based Consideration Payable to a Customer. This ASU clarifies how entities account for share-based consideration payable to a customer. The ASU requires customer awards with vesting conditions tied to purchases to be treated as performance conditions, eliminates the forfeiture policy election, and states that the variable consideration constraint under ASC 606 does not apply to these awards. The standard is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company plans to adopt this guidance effective January 1, 2027 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

In July 2025, the FASB issued ASU No. 2025-05, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets”. This ASU provides a practical expedient for all entities related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under Topic 606. The standard is effective for annual periods beginning after December 15, 2025. Early adoption of ASU 2025-05 is permitted and should be applied prospectively. The Company adopted this guidance effectively January 1, 2026 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. The purpose of this update is to improve the clarity and organization of interim reporting guidance and to enhance the disclosure requirements applicable to interim financial statements. ASU 2025-11 does not change the fundamental principles of interim reporting but clarifies the scope and presentation of required disclosures. A public business entity shall apply for interim reporting periods within annual reporting periods beginning after December 15, 2027. An entity other than a public business entity shall apply for interim reporting periods within annual reporting periods beginning after December 15, 2028. The Company plans to adopt this guidance effective January 1, 2028 and the Company is currently evaluating the impact of adopting this ASU on its financial statements.

The Company 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, NET

Accounts receivable, net, consist of the following:

	December 31, 2025	December 31, 2024
Supply Chain Financing/Trading	$ 360,053	$ 1,984,893
Trading Commission and Consulting services	244,244	104,069
Fast-Moving Consumer Goods	939	-
Total accounts receivable, net	$ 605,236	$ 2,088,962

The following table sets forth the Company’s concentration of accounts receivable, net of specific allowances for credit losses.

	December 31, 2025	December 31, 2024
Debtor A	39.5%	34.6%
Debtor B	27.8%	19.0%
Debtor C	20.0%	17.8%
Total accounts receivable, net	87.3%	71.4%

4. OTHER RECEIVABLES, NET

Other receivables, net, consist of the following:

	December 31, 2025	December 31, 2024
Other receivables[(1)]	$ 9,373,193	$ 9,619,490
Receivable for prepaid purchases[(2)]	570,400	-
Unsettled stocks	860,195	687,813
Interest receivable	19,260	-
Others	57,929	352,265
Total other receivables, net	$ 10,880,977	$ 10,659,568

(1) Other receivables consist mainly of: 1) the loan amount to Future Commercial Management (Hainan) Co., Ltd., ("Future Hainan"), which was a subsidiary until December 16, 2025. On December 12, 2025, the Company entered into a "Loan agreement" with Future Hainan, pursuant to which the Company loaned an amount of $9.37 million (RMB 65.88 million) to Future Hainan at the annual interest rate of 5%. As of December 31, 2025, the balance of other receivables was $9.37 million.

(2) Receivable for prepaid purchases has been reclassified from "Advance to Suppliers" due to the cancellation of purchase transactions.

5. INVESTMENT FUNDS

As of December 31, 2025, the balance of investment funds was $30.41 million. The amount pertains of funds held in escrow with a third party for future business acquisitions. As of the date of this report, the acquisition transaction has not closed.

6. ADVANCES TO SUPPLIERS AND OTHER CURRENT ASSETS, NET

The amount of advances to suppliers and other current assets, net consisted of the following:

	December 31, 2025	December 31, 2024
Prepayments for Supply Chain Financing/Trading	$ 3,222,747	$ 4,351,414
Prepaid expenses	373,243	34,867
Others	184,906	47,414
Total advances to suppliers and other current assets, net	$ 3,780,896	$ 4,433,695

7. LOAN RECEIVABLES

As of December 31, 2025, the balance of loan receivables was $ nil.

As of December 31, 2024, the balance of loan receivables was $139,113. 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 $139,113 (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 $139,113. The loan was repaid on January 24, 2025.

8. LEASES

The Company's non-cancellable operating leases consist of leases for office space. The Company is the lessee under the terms of the operating leases. For the year ended December 31, 2025, the operating lease cost was $0.22 million.

The Company's operating leases have remaining lease terms of approximately 17 months. As of December 31, 2025, the weighted average remaining lease term and weighted average discount rate were 1.40 years and 4.90%, respectively.

Maturities of lease liabilities were as follows:

As of December 31, 2025	Operating Lease
From January 1, 2026 to December 31, 2026	$ 178,762
From January 1, 2027 to December 31, 2027	31,252
Total	$ 210,014
Less: amounts representing interest	$ 4,662
Present Value of future minimum lease payments	205,352
Less: Current obligations	174,423
Long-term obligations	$ 30,929

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 nil for the year ended December 31, 2025.

9. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	December 31, 2025	December 31, 2024
Office equipment, fixtures and furniture	$ 50,984	$ 50,866
Vehicle	393,593	384,854
Leasehold improvements	63,755	62,339
Subtotal	508,332	498,059
Less: accumulated depreciation	(357,344)	(258,767)
Less: Impairment	(1,084)	(1,059)
Total property and equipment, net	$ 149,904	$ 238,233

Depreciation expense included in general and administration expenses for the years ended December 31, 2025 and 2024 was $95,630 and $116,018, respectively.

10. INTANGIBLE ASSETS, NET

Intangible assets, net consist of the following:

	December 31, 2025	December 31, 2024
Trading rights of license plates	$ 128,503	$ 128,824
System and software	627,987	628,131
Subtotal	756,490	756,955
Less: accumulated amortization	(281,024)	(224,133)
Total intangible assets, net	$ 475,466	$ 532,822

Amortization expense included in general and administration expenses for the years ended December 31, 2025 and 2024 was $57,035 and $57,035, respectively.

The estimated future amortization is as follows:

As of December 31, 2025	Estimated amortization expense
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, 2028	57,035
From January 1, 2029 to December 31, 2029	57,035
From January 1, 2030 to December 31, 2030	57,035
Thereafter	61,788
Total	$ 346,963

Type 1 and Type 2 licenses by Hong Kong Securities and Futures Commission have no expiration date and do not require amortization, the amount was $128,503 and $128,824.

11. ACCOUNT PAYABLES

The amount of account payables consisted of the following:

	December 31, 2025	December 31, 2024
Trading Commission and Consulting services payment	$ 3,166,682	$ 1,872,298
Fast-Moving Consumer Goods payment	95,103	-
Supply Chain Financing/Trading payment	-	347,003
Total account payables	$ 3,261,785	$ 2,219,301

12. ACCRUED EXPENSES AND OTHER PAYABLES

The amount of accrued expenses and other payables consisted of the following:

	December 31, 2025	December 31, 2024
Legal fees and other professionals	$ 917,148	$ 64,488
Wages and employee reimbursement	55,058	212,028
Provision for legal cases	-	8,625,308
Accruals	821,913	715,061
Others	425,139	413,653
Total accrued expenses and other payables	$ 2,219,258	$ 10,030,538

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. On June 17, 2025, the Company entered into a settlement and forbearance agreement with FT Global, pursuant to which the company is required to pay FT Global an aggregate amount of $4.0 million over an 18-month period. For the fiscal year ended December 31, 2024 and 2025, the Company paid $1.97 million and $1.85 million, respectively, towards accrued expenses and other payables.

13. CONVERTIBLE NOTES PAYABLE

The amount of convertible notes payable consisted of the following:

	December 31, 2025	December 31, 2024
Beginning	$ 553,086	$ 1,100,723
Addition	1,696,748	-
Interest expenses	73,628	77,363
Conversion	(589,418)	(625,000)
Balance	$ 1,734,044	$ 553,086

Convertible notes payable I

On December 27, 2023, the Company issued a convertible promissory note with a principal amount of $1.10 million. Floor Price was $9.088 per share of Common Stock. The Note was unsecured. On the date thereof, the Company shall reserve 125,000 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"). The lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares were 59,386 shares, amount $625,000, at a price of $10.524 per share in 2024. Lender redemption conversion shares were 15,301 shares, amount $140,658, at a price of $9.193 per share and 49,385 shares, amount of $448,759, at a price of $9.087 per share in January and September 2025, respectively. As of December 31, 2025, the balance of this convertible notes payable was $ nil.

Convertible notes payable II

On July 28, 2025 ("Beginning Date"), the Company entered into a Convertible Notes Agreement ("Agreement") with an institutional investor (the "Investor"), pursuant to which the Investor desires to purchase from the Company one or more pre-paid purchases (each a "Pre-Paid Purchase" and together the "Pre-Paid Purchases") in the aggregate purchase amount of up to $10,000,000 for the purchase of the Company's common stock. The Agreement will end on the earlier of (i) the date that is two years from the Beginning Date, (ii) the date Company has sold $10,000,000.00 in Pre-Paid Purchases hereunder; and (iii) termination of this Agreement (the "Commitment period"). On September 15, 2025, the Company issued 15,000 of the Company's Common Stock to the Investor as a commitment fee (the "Commitment Shares"). All Pre-Paid Purchases will have an 8% original issue discount ("OID"), and will bear an interest rate of 8% per annum.

On July 28, 2025, the Company received its first funding of $800,000 as the Initial Pre-Paid Purchase, which is calculated from an original amount of $884,000, minus a $64,000 OID and minus $20,000 that covers the Investor's legal, accounting, and other related costs under the purchase agreement.

On September 22, 2025, the Company received its second funding of $1,000,000 from the Investor, which is calculated from an original amount of $1,080,000, minus a $80,000 OID.

Concurrently, on September 22, 2025, the Company issued 361,250 Common Stock (the "Pre-Delivery Shares") according to the agreement with the Investor at par value $0.001 per share. The Investor is not permitted to sell, assign, transfer, pledge, encumber, hypothecate or otherwise dispose of ("transfer") such Pre-Delivery Shares. However, during the period beginning on any day in which Investor delivers a Purchase Notice to Company and ending on the date of delivery of the Purchase Shares by Company covered by such Purchase Notice, Investor may transfer a number of Pre-Delivery Shares up to the number of Purchase Shares covered by the applicable Purchase Notice. The Purchase Price will be 82% multiplied by the lowest daily volume-weighted average price during the ten trading days immediately preceding a conversion. Following the end of the Commitment Period and the repayment of all outstanding Pre-Paid Purchases, Investor will deliver to Company a number of shares of common stock equal to the number of Pre-Delivery Shares issued within 20 trading days, and the Company will pay Investor $0.001 for each share.

The Company assessed the convertible note payable II under ASC 815, identifying there are embedded conversion features and concluded that the conversion feature satisfied the requirement of "fixed-to-fixed" criterion and is considered indexed to the Company's own stock. Therefore, the conversion feature is eligible for a scope exception from derivative accounting in accordance with ASC 815-10-15-74 and the Company would not bifurcate the conversion feature, and accounts for the convertible note payable II as a liability in its entirety.

The Company recognized the issuance costs and the discount of the convertible note payable II of $304,400 as a direct deduction from the face amount of the Convertible Loan II in accordance with ASC 835-30-45-1A. The debt issuance cost was amortized as amortization of debt issuance costs using the effective interest method, over the Commitment period of the convertible note payable II.

As of December 31, 2025, the Company has received an aggregate of $1,800,000 from the Investor out of the total $10,000,000 committed amount, the balance of convertible notes payable II was $1,734,044, with a carrying value of $1,964,000, net of deferred financing costs of $229,956 was recorded in the consolidated balance sheets. The amortization of debt issuance costs was $20,475 for the year ended December 31, 2025.

As of December 31, 2025, the Company issued a total of 376,250 Common Stock to the Investor, including 15,000 Common Stock as Commitment Shares and 361,250 Common Stock as the Pre-Delivery Shares.

14. RELATED PARTY TRANSACTION

As of December 31, 2025, the amounts due to related parties were consisted of the following:

Name	Amount	Relationship	Note
Shanchun Huang	$ 596,924	Controlling shareholder	Repayment debt on behalf of the Company and payment on demand
Total	$ 596,924		

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

Name	Amount	Relationship	Note
Hu Li	$ 20,000	Chief Executive Officer of the Company	Loan receivables*, interest free and payment on demand.
Total	$ 20,000		

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

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

Name	Amount	Relationship	Note
Ming Yi	$ 8,871	Former Chief Financial Officer of the Company	Accrued expenses, interest free and payment on demand.
Total	$ 8,871		

15. 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 2025 and 2024. No provisions for income taxes have been made, as the Company had no U.S. taxable income for the years ended December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, 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, 2025, 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 subsidiaries as they are to be permanently reinvested.

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 is 2.5%; the tax rate for pre-tax profits between RMB1 million to RMB 3 million is 10%. E-Commerce Tianjin, Future Supply (Chengdu) Co., Ltd. and Future Big Data (Chengdu) Co., Ltd. were subject to an enterprise income tax rate of 2.5% and 10%. Other subsidiaries and VIE were subject to an enterprise income tax rate of 25%.

Future FinTech (Hong Kong) 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 is 16.5% in Hong Kong.

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

	December 31, 2025	December 31, 2024
Loss before taxation	$ (30,946,254)	$ (33,739,005)
PRC statutory tax rate	25%	25%
Computed expected benefits	(7,736,564)	(8,434,751)
Others, primarily the differences in tax rates	(1,191,035)	(2,360,704)
Deferred tax assets losses not recognized	8,927,599	10,795,455
Total	$ -	$ -

16. SHARE BASED COMPENSATION

On March 10, 2025, the Compensation Committee of the Board of Directors of the Company granted 125,000 shares of common stock of the Company, par value $0.001, pursuant to the Company's 2024 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 $8.68 on March 10, 2025, the Company recorded an expense of $1.09 million in the first quarter of fiscal year 2025. As of March 10, 2025, the Shares have been issued to the Grantees.

On October 4, 2024, the Compensation Committee of the Board of Directors of the Company granted 52,750 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 $12.72 on October 9, 2023, the Company recorded an expense of $0.67 million in the third quarter of fiscal year 2024. As of October 9, 2024, the Shares have been issued to the Grantees.

17. 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 421,053 units, each consisting of one share of the Company's common stock and a warrant to purchase 1 share of the Company's Common Stock, at a purchase price of $19 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 421,053 shares of the Company's Common Stock and warrants to purchase up to an aggregate of 421,053 shares of the Company's Common Stock at an exercise price of $21.5 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 42,108 shares of the Company's 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 $23.75 per share and is not exercisable until June 24, 2021. As of December 31, 2024, outstanding warrants have 42,108 shares of the Company's Common Stock. Warrants after 1-for-10 reverse stock split in 2025 and 1-for-4 reverse stock split in 2026 were 1,053 shares with an exercise price of $95 per share. All outstanding warrants have expired as of December 31, 2025.

	Underlying Shares	Weighted Average Exercise Price	Weighted Average Term (Years)
Options outstanding at December 31, 2024	1,053	$ 95.0	1.00
Granted	-	-	-
Forfeited	1,053	95.0	-
Cancelled	-	-	-
Options outstanding at December 31, 2025	-	$ -	-
Options exercisable at December 31, 2025	-	$ -	-

On January 5, 2024, the Company entered into a securities purchase agreement with certain purchasers, pursuant to which the Company sold to the purchasers in a private placement, an aggregate of 53,764 shares of its common stock, par value $0.001 per share at a purchase price of $48 per share, for aggregate net proceeds to the Company of $2,580,644. On January 18, 2024, the Company issued 53,764 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 elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 3,416, amount $50,000, at a price of $14.637 per share.

On July 18, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 5,428, amount $75,000, at a price of $13.817 per share.

On August 26, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 10,208, amount $100,000, at a price of $9.796 per share.

On October 24, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 9,766, amount $100,000, at a price of $10.24 per share.

On November 11, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 9,766, amount $100,000, at a price of $10.24 per share.

On November 14, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 9,846, amount $100,000, at a price of $10.156 per share.

On December 18, 2024, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 10,955 amount $100,000, at a price of $9.128 per share.

On January 7, 2025, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 10,721, amount $100,000, at a price of $9.327 per share.

On January 24, 2025, that Lender elected to redeem a portion of the Note in redemption conversion shares. Lender redemption conversion shares 4,581, amount $40,658, at a price of $8.875 per share.

On September 10 and 11, 2025, that Lender elected to redeem the entire balance of the Note through the issuance of 49,835 redemption conversion shares, at a price of $9.005 per share, for a total redemption amount of $448,759.

18. STATUTORY RESERVES AND 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 $25.36 million (RMB176.10 million) as of December 31, 2025. 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.

19. DISCONTINUED OPERATIONS

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 $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.

On February 3, 2025, FTFT UK LIMITED, FTFT Finance UK Limited, Future Fintech Digital Number One US, LP, Future Fintech Digital Number One Offshore, LLC (Cayman), Future Fintech Digital Number One GP, LLC (USA), FTFT Digital Number One, Ltd. (Cayman), Future FinTech Labs Inc, Future Fintech Digital Capital, FTFT CAPITAL INVESTMENTS, DigiPay FinTech Limited, DCON DigiPay Limited-JPN and Global Key Shared Mall Ltd were disposed of for a consideration of US$25,000 after a court auction sale. The gain on disposal was $28.26 million.

On December 16, 2025, Future Commercial Management (Hainan) Co., Ltd. was disposed of for a consideration of $1.4 million (RMB10.0 million). The gain on disposal was $52,749.

Income from discontinued operations for the years ended December 31, 2025 and 2024 was as follows:

	For the Years ended December 31,	
	2025	2024
REVENUES	$ 43,585	$ 43,715
COST OF REVENUES	12,816	9,637
GROSS PROFIT	30,769	34,078
OPERATING EXPENSES:		
General and administrative expenses	32,072	1,510,233
Research and development expenses	-	312,865
Selling expenses	11,430	-
Allowance for (Net recovery of) credit losses / doubtful accounts	514,798	(763,539)
Total operating expenses	558,300	1,059,559
OTHER INCOME (EXPENSE)		
Interest income	413,001	413,695
Interest expense	-	-
Other income (expense)	(4,762)	116,949
Total other income	408,239	530,644
Loss from discontinued operations before income tax	(119,292)	(494,837)
Income tax provision	-	-
Loss from discontinued operations before non-controlling interest	(119,292)	(494,837)
Gain on disposal of discontinued operations	28,311,547	1,054,155
Less: net income (loss) attributable to non-controlling interests	1,866,066	(223,815)
INCOME FROM DISCONTINUED OPERATIONS	$ 26,326,189	$ 783,133

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

	December 31, 2025	December 31, 2024
Cash and cash equivalents	$ -	$ 77,630
Other receivables, net	-	613,922
Advances to suppliers and other current assets, net	-	540,582
Loan receivables		6,955,651
Property and equipment, net	-	2,360,961
Right of use assets - operating lease	-	154,810
Total assets related to discontinued operations	$ -	$ 10,703,556
Accrued expenses and other payables	$ -	$ 9,486,695
Amount due to related parties	-	29,036
Lease liability - operating lease	-	154,810
Total liabilities related to discontinued operations	$ -	$ 9,670,541

20. SEGMENT REPORTING

In its operation of the business, management, including the Company's chief operating decision maker, who is the Company's 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 starting in fiscal 2021: "supply chain financing service and trading business" and "others". As described in Note 17. DISCONTINUED OPERATIONS, certain subsidiaries were sold, dissolved or deregistered, resulting in material changes to the Company's business operations. Consequently, the Company has reorganized its operations into the following three reportable segments: (1) Fast-Moving Consumer Goods (FMCG), (2) Trading Commission and Consulting services and (3) supply chain financing service and trading business.

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 in October 2023. During the last quarter of fiscal year 2024, the Company commenced operations in the Fast-Moving Consumer Goods (FMCG) sector.

Some of the Company's operations might not individually meet the quantitative thresholds for determining reportable segments and the Company determines 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 the year ended December 31, 2025

	Fast-Moving Consumer Goods	Trading Commission and Consulting services	Supply Chain Financing/ Trading	Total
Reportable segment revenue	$ 3,259,845	$ 568,611	$ 1,349	$ 3,829,805
Inter-segment loss	-	-	-	-
Revenue from external customers	3,259,845	568,611	1,349	3,829,805
Segment gross profit	$ 33,144	$ 373,829	$ 1,347	$ 408,320

For the year ended December 31, 2024

	Fast-Moving Consumer Goods	Trading Commission and Consulting services	Supply Chain Financing/ Trading	Total
Reportable segment revenue	$ 25,537	$ 1,131,165	$ 957,708	$ 2,114,410
Inter-segment loss	-	-	-	-
Revenue from external customers	25,537	1,131,165	957,708	2,114,410
Segment gross profit	$ 138	$ 1,074,048	$ 163,753	$ 1,237,939

Loss before Income Tax:

	For the Years Ended December 31,	
	2025	2024
Supply Chain Financing/Trading	$ 233	$ 3,629,218
Fast-Moving Consumer Goods	561,911	96,718
Trading Commission and Consulting services	2,139,466	2,266,520
Corporate and Unallocated	28,652,964	28,984,488
Total operating expenses and other expenses	31,354,574	34,976,944
Loss before income tax	$ (30,946,254)	$ (33,739,005)

Segment assets as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Supply Chain Financing/Trading	$ 2,969,945	$ 13,860,708
Fast-Moving Consumer Goods	379,700	302,791
Trading Commission and Consulting services	5,584,242	2,556,543
Corporate and Unallocated	44,353,447	8,058,078
Assets related to discontinued operations	-	10,703,556
Total assets	$ 53,287,334	$ 35,481,676

21. DEBT RESTRUCTURING

During the year ended December 31, 2025, the Company entered into troubled debt restructurings with FT Global ("the Creditor") due to financial difficulties. On June 17, 2025, the Company entered into a settlement and forbearance agreement ("the Agreement") with FT Global. Pursuant to the Agreement, the company was required to pay an aggregate settlement amount of $4.0 million and issue a total of 425,000 shares of common stock, among which, (i) $0.5 million was paid no later than June 20, 2025, (ii) $1.0 million, $1.3 million and $1.2 million shall be paid within six months, twelve months and eighteen months after signing of the Agreement, respectively, (iii) 15,000 shares and 85,000 shares of common stock were issued on June 30, 2025 and July 2, 2025, respectively, and (iv) 162,500 shares and 162,500 shares of common stock shall be issued no earlier than six months and twelve months following the agreement's effective date, respectively. As of December 31, 2025, a total of 110,000 shares of common stock had been issued and an aggregate amount of $1.85 million had been repaid to the Creditor.

The Company derecognized the amount previously due to FT Global, and recognized the present value of total settlement amount including the above-mentioned cash payments and common stocks in paid-in capital and other payables on the consolidated balance sheets. Upon the debt restructurings, the Company recognized a gain of $3.07 million which was recorded as gain on debt restructuring on the consolidated statement of operations and comprehensive loss.

22. COMMITMENTS AND CONTINGENCIES

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 the 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.

23. 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 the Company's business and the enforcement and performance of the Company's arrangements with customers in certain circumstances. The Company is considered foreign persons or foreign funded enterprises under PRC laws and, as a result, the Company is 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. The Company cannot predict what effect the interpretation of existing or new PRC laws or regulations may have on the Company's business.

Customer concentration risk

For the year ended December 31, 2025, two customers accounted for 16.42% and 10.59% of the Company's total revenue, respectively. For the year ended December 31, 2024, two customers accounted for 36.60% and 13.85% of the Company's total revenues, respectively.

Vendor concentration risk

For the year ended December 31, 2025, two vendors accounted for 60.70% and 33.52% of the Company's total purchases, respectively. For the year ended December 31, 2024, one vendor accounted for 88.87% of the Company's total purchases.

24. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date of the issuance of the consolidated financial statements and did not identify any subsequent events except those disclosed above that would have required adjustment or disclosure in the financial statements.