

Risk Factors Comparison 2025-04-15 to 2024-04-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

• **We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations and cause the value of our securities to significantly decline or be worthless. (see page 22 of this report)** • **An occurrence of an uncontrollable event such as the COVID- 19 pandemic may negatively affect our operations and financial results. (see page 23 of this report)** • **The supply chain financing service industry is an emerging and rapidly evolving industry in China and we might not achieve the development as we expected. (see page 24 of this report)** • The supply chain financing service industry is increasingly competitive in China. If we fail to compete effectively, we may lose our customers and partners, which could materially and adversely affect our business, financial condition and results of operations. (see page 24 of this report) • ~~The asset management services that NTAM provides involve various risks, and failure to identify or fully appreciate such risks will negatively affect our reputation, client relationships, operations and prospects. (see page 25 of this report)~~ • ~~Our operations of NTAM depend on key management and professional staff and our business may suffer if we are unable to recruit or retain them. (see page 25 of this report)~~ • ~~The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, and offerings of digital assets is uncertain, and new regulations or policies may materially adversely affect the development of our blockchain related business. (see page 28 of this report)~~ • We are subject to cyber security risks and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents. (see page 28 **27** of this report) • Our business depends on **internet**, our ~~website~~ **websites**, ~~app~~, network infrastructure and ~~transaction-processing systems~~ **system**. (see page ~~28-26~~ **28-26** of this report) Risks Related to Doing Business in the PRC • Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and results of operations. (see page ~~31-28~~ **31-28** of this report) • Uncertainties and quick change in the interpretation and enforcement of Chinese laws and regulations with little advance notice could result in a material and negative impact our business operations, decrease the value of our shares of common stock and limit the legal protections available to us. (see page ~~33-30~~ **33-30** of this report) iii • The Chinese government exerts substantial influence over the manner in which we must conduct our business as well as more oversight and control over offerings that are conducted overseas and / or foreign investment in China- based issuers, and may intervene or influence our operations at any time, which could result in a material change in our operations, and significantly limit or completely hinder our ability to offer or continue to offer securities to investors and, and cause the value of our shares of common stock to significantly decline or be worthless. (see page ~~34-31~~ **34-31** of this report) • There are uncertainties under the PRC Securities Law relating to the procedures and requisite timing for the U. S. securities regulatory agencies to conduct investigations and collect evidence within the territory of the PRC. (see page ~~35-32~~ **35-32** of this report) • We could be restricted from paying dividends to shareholders due to PRC laws and other contractual requirements. To the extent cash and / or assets in the business are in the PRC and / or Hong Kong or our PRC and / or Hong Kong entities, ~~the VIE~~, and the WFOE, such funds and / or assets may not be available to fund operations or for other use outside of the PRC and / or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of us or our subsidiaries by the PRC government to transfer cash and / or assets. (see page ~~36-33~~ **36-33** of this report) • The Holding Foreign Companies Accountable Act, or the HFCA Act, and the related regulations are evolving quickly. Further implementations and interpretations of or amendments to the HFCA Act or the related regulations, or a PCOAB's determination of its lack of sufficient access to inspect our auditor, might pose regulatory risks to and impose restrictions on us because of our operations in mainland China. A potential consequence is that our shares of common stock may be delisted by the exchange. The delisting of our common stock, or the threat of our common stock being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct full inspections of our auditor deprives our investors of the benefits of such inspections. (see page ~~39-36~~ **39-36** of this report) • The filing with the China Securities Regulatory Commission ("CSRC") is required in connection with any offering under New Overseas Listing Rules, and we **currently are not in compliance with** ~~cannot assure you that we will be able to timely make~~ such **rules and filing, in which case** we may face sanctions **and penalties** by the CSRC or other PRC regulatory agencies for failure to timely file with the CSRC ~~for this offering~~. (see page ~~38-35~~ **38-35** of this report) Risks Related to Our Common Stock • We are authorized to issue blank check preferred stock, which may be issued without shareholder approval and which may adversely affect the rights of holders of our Common Stock. (see page ~~40-37~~ **40-37** of this report) • In recent years, our Common Stock has been in danger of being delisted from the NASDAQ Stock Market ("NASDAQ"). (see page ~~41-38~~ **41-38** of this report) Other risks and uncertainties, including those listed under "Part I — Item 1A — Risk Factors". These factors should not be construed as exhaustive, and should be read with the other cautionary statements, and other information in this Annual Report on Form 10-K, and our other filings with the SEC. PART I ITEM 1 – BUSINESS Overview Future FinTech is a holding company incorporated under the laws of the State of Florida. The Company historically engaged in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in the PRC. Due to drastically increased production costs and tightened environmental laws in China, the Company had transformed its business from fruit juice manufacturing and distribution to financial technology related service businesses. The main business of the Company ~~includes~~ **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 DDM 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 November 14, 2021, CAC published the Administration Measures for Cyber Data Security (Draft for Public Comments), or the “ Cyber Data Security Measure (Draft)”, which requires cyberspace operators with personal information of more than 1 million users who want to list abroad to file a cybersecurity review with the Office of Cybersecurity Review.~~ On July 7, 2022, CAC promulgated the Measures for the Security Assessment of Data Cross- border Transfer, effective on September 1, 2022, which requires the data processors to apply for data cross- border security assessment coordinated by the CAC under the following circumstances: (i) any data processor transfers important data to overseas; (ii) any critical information infrastructure operator or data processor who processes personal information of over 1 million people provides personal information to overseas; (iii) any data processor who provides personal information to overseas and has already provided personal information of more than 100, 000 people or sensitive personal information of more than 10, 000 people to overseas since January 1st of the previous year; and (iv) other circumstances under which the data cross- border transfer security assessment is required as prescribed by the CAC. On February 17, 2023, the CSRC released New Overseas Listing Rules with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition (s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. On February 24, 2023, the CSRC, the Ministry of

Finance, the National Administration of State Secrets Protection and the National Archives Administration released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, or the Confidentiality and Archives Administration Provisions, which took effect on March 31, 2023. PRC domestic enterprises seeking to offer securities and list in overseas markets, either directly or indirectly, shall establish and improve the system of confidentiality and archives work, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that (i) providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting records or photocopies thereof to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations; and (ii) any working papers formed in the territory of the PRC by securities companies and securities service agencies that provide domestic enterprises with securities services relating to overseas securities issuance and listing shall be stored in the territory of the PRC, the outbound transfer of which shall be subject to corresponding procedures in accordance with relevant laws and regulations. As of the date of this report, these new laws and guidelines that became effective have not impacted the Company's ability to conduct its business, accept foreign investment or list on a U. S. or other foreign stock exchange except for the filing requirement under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. In addition, new rules and regulations could be adopted and there are uncertainties in the interpretation and enforcement of existing laws and guidelines, which could materially and adversely impact our business and financial outlook and may impact our ability to accept foreign investments or continue to list on a U. S. or other foreign stock exchange. Any change in foreign investment regulations, and other policies in China or related enforcement actions by China government could result in a material change in our operations and the value of our securities and could significantly limit or completely hinder our ability to offer our securities to investors or cause the value of our securities to significantly decline or be worthless. In the opinion of our PRC counsel Fengdong Law Firm, subsidiaries of the Company are incorporated and operating in mainland China have received all required permissions from Chinese authorities to operate their current business in China, including Business licenses and Bank Account Open Permits, as of the date of this report. In the opinion of Fengdong Law Firm, as of the date of this report, we, our subsidiaries in China are not subject to permission requirements from the CSRC or CAC or any other entity that is required to approve of their operations and have not received or were denied such permissions by any PRC authorities. Currently, we are required to file with CSRC for any offerings under New Overseas Listing Rules. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. Given the current PRC regulatory environment, it is uncertain whether we, our subsidiaries, will be able to obtain permission from the PRC government to offer our securities to foreign investors, and even when such permission is obtained, whether it will be denied or rescinded. If we or any of our subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we or our subsidiaries are required to obtain such permissions or approvals, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless. Failure to take timely and appropriate measures to adapt to any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations. The Company's auditor, Fortune CPA Inc. is headquartered in California and the Public Company Accounting Oversight Board (United States) (the "PCAOB") currently has access to inspect the working papers of our auditor. On December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB Board will consider the need to issue a new determination. On December 29, 2022, a legislation entitled "Consolidated Appropriations Act, 2023" (the "Consolidated Appropriations Act"), was signed into law by President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to Accelerating Holding Foreign Companies Accountable Act, which reduces the number of consecutive non-inspection years required for triggering the prohibitions under the HFCA Act from three years to two. The Holding Foreign Companies Accountable Act and related regulations currently does not affect the Company as the Company's auditor is subject to PCAOB's inspection and investigation. As a holding company, we may rely on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us. However, neither any of our subsidiaries or the VIE has made any dividends, other distributions or cash transfers to our holding company or any U. S. investors as of the date of this report. In the future, cash proceeds raised from overseas financing activities may be transferred by us to our PRC subsidiaries via capital contribution or shareholder loans, as the case may be. As a holding company, we may rely principally on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements we may have. As of the date of this report, we do not have cash management policies and procedures in place that dictate how funds are transferred through our organization. Rather, the funds can be transferred in accordance with the applicable PRC laws and regulations. See "Dividend Distribution and Cash Transfer Between the Holding Company and Subsidiaries." As of the date of this report, no dividends or distributions have been made between the holding company, its subsidiaries, and consolidated VIE, or to investors including U. S. investors. The holding company, ~~and~~ its subsidiaries, ~~and the VIE~~ do not have any plan to distribute dividend ~~or settle~~

amounts owed under the VIE Agreements 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, ~~the VIE, and the WFOE (as defined below)~~, 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, ~~the VIE, 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. ” ~~In March 2022, FTFT UK Limited received approval to operate as an Electronic Money Directive (“ EMD ”) Agent and has been registered as such with the Financial Conduct Authority (FCA), a UK regulator. This status grants FTFT UK Limited the ability to distribute or redeem e-money and provide certain financial services on behalf of an e-money institution (registration number 903050). On April 14, 2022, the Company established Future Trading (Chengdu) Co., Ltd. Its business is bulk commodities supply chain financing services and trading. 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 . On September 29, 2022, FTFT UK Limited completed its- **it was dissolved** acquisition of 100 % of the issued and outstanding shares of Khyber Money Exchange Ltd., a company incorporated in **December** England and Wales, from Rahim Shah, a resident of United Kingdom for a total of Euros € 685, 000 (“ Purchase Price ”), pursuant to a Share Purchase Agreement (the “ Agreement ”) dated September 1, 2021 **2023 as** . Khyber Money Exchange Ltd. is a money transfer company with a platform for transferring money through one of its agent locations or via its online portal, mobile platform or over the phone. Khyber Money Exchange Ltd. is regulated by the UK Financial Conduct Authority (FCA) and the parties received approval by the FCA before the formal closing of the transaction. On October 11, 2022, the Company **was not able** changed the name of Khyber Money Exchange Ltd. to FTFT Finance UK Limited **develop the business in Paraguay as planned** . On February 27, 2023, Future FinTech (Hong Kong) Limited (“ Buyer ”), a company incorporated in Hong Kong and a wholly owned subsidiary of Future FinTech Group Inc. (the “ Company ”) entered into a Share Transfer Agreement (the “ Agreement ”) with Alpha Financial Limited, a company incorporated in Hong Kong (“ Seller ”) and sole owner and shareholder of Alpha International Securities (Hong Kong) Limited, a company incorporated in Hong Kong (“ Alpha HK ”) and Alpha Information Service (Shenzhen) Co., Ltd., a company incorporated in China (“ Alpha SZ ”). Alpha HK holds Type 1 ‘ Securities Trading’, Type 2 ‘ Futures Contract Trading’ and Type 4 ‘ Securities Consulting’ financial licenses issued by the Hong Kong Securities and Futures Commission. Alpha SZ provides technical support services to Alpha HK. The share transfer transaction was approved by the Securities and Futures Commission of Hong Kong (“ SFC ”) in August 2023 and the acquisition was closed on November 7, 2023. The names of the two entities were subsequently changed to ‘ FTFT International Securities and Futures Limited’ and ‘ FTFT Information Services (Shenzhen) Co. Ltd.’, respectively. On **September 4, 2024, the Company deregistered and dissolved the Tianjin Future Private Equity Fund Management Partnership, a Limited Partnership under the laws of China. On December 6, 2024, the Company and FTFT SuperComputing Inc. a wholly owned subsidiary of the Company (“ FTFT SuperComputing ”) entered into a Stock Purchase Agreement (the “ Agreement ”) with DDMM Capital LLC (the “ Buyer ”). Pursuant to the terms of the Agreement, the Company sold all of the issued and outstanding shares of FTFT SuperComputing to the Buyer for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$ 973, 072. 24 and (ii) \$ 1, 000, 000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The closing of the transactions contemplated by the Agreement took place on December 9, 2024. On December 18, 2024, the Company sold all of its interest and ownership of Future Fintech Digital Capital Management LLC, FTFT UK Limited, DigiPay FinTech Limited, GlobalKey SharedMall Limited, Future Fintech Labs Inc., and Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$ 25, 000 through the court ordered auction by the United States Marshal for the Southern District of New York. In August 2024, NTAM raised HK \$ 3, 007, 200 (approximately \$ 385, 538) by way of rights subscription offered to its existing shareholders. NTAM issued additional 168 shares with HK \$ 17, 900 each. Three existing shareholders of NTAM subscribed shares and Future Fintech (Hong Kong) Limited did not participate in the subscription and an outsider investor purchased the shares. After the right subscription, the shareholding percentage of NTAM by Future Fintech (Hong Kong) Limited passively decreased from 77. 14 % to 42. 86 % . On October 18, 2024, Future FinTech (Hong Kong) Limited., a wholly owned subsidiary of the Company (“ Seller ”), Nice Talent Asset Management Limited, a limited company organized under the laws of Hong Kong (“ NTAM ”) and Ms. Siu Chin Wei, a natural person and unrelated third party with an identity card of Hong Kong (“ Siu ” or the “ Buyer ”) entered into a Sales and Purchase Agreement of Shares, pursuant to which Seller sold its 42. 86 % ownership of NTAM to the Buyer for HK \$ 2. 4 million (approximately \$ 300, 000) and the transaction was closed on November 27, 2024. On** January 26, 2023, the Company filed with the Florida Secretary of State’s office Articles of Amendment (the “ Amendment ”) to amend its Second Amended and Restated Articles of Incorporation, as amended (“ Articles of Incorporation ”). As a result of the Amendment, the Company has authorized and approved a 1- for- 5 reverse stock split of the Company’s authorized shares of common stock from 300, 000, 000 shares to 60, 000, 000 shares, accompanied by a~~

corresponding decrease in the Company's issued and outstanding shares of common stock (the "2023 Reverse Stock Split"). **On March 27, 2025, the Company filed with the Florida Secretary of State's office Articles of Amendment (the "Amendment") to amend its Second Amended and Restated Articles of Incorporation, as amended ("Articles of Incorporation"). As a result of the Amendment, the Company has authorized and approved a 1-for-10 reverse stock split of the Company's authorized shares of common stock from 60,000,000 shares to 6,000,000 shares, accompanied by a corresponding decrease in the Company's issued and outstanding shares of common stock ("2025 Reverse Stock Split", collectively with 2023 Reverse Stock Split as "Reverse Splits").** The common stock will continue to be \$ 0.001 par value. The Company ~~rounds rounded~~ up to the next full share of the Company's shares of common stock any fractional shares that result from the **2025** Reverse Stock Split and no fractional shares ~~is will be~~ issued in connection with the **2025** Reverse Stock Split and no cash or other consideration ~~is 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~~ will take effect at 1:00am ~~00pm~~ Eastern Time ~~E. T.~~ on February ~~April~~ 1, 2023 ~~2025~~. The Reverse Stock Split and Amendment were authorized and approved by the Board of Directors of the Company without shareholders' approval, pursuant to 607.10025 of the Florida Business Corporation Act of the State of Florida. The Company 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 by ~~during the~~ outbreak of COVID-19 ~~since early 2020~~ 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 ~~nine one~~ directly controlled subsidiaries ~~subsidiary~~ : DigiPay FinTech Limited ("DigiPay"), a company incorporated under the laws of the British Virgin Islands, Future FinTech (Hong Kong) Limited, a company incorporated under the laws of Hong Kong, GlobalKey Shared Mall Limited, a company incorporated under the laws of Cayman Islands ("GlobalKey Shared Mall"), Tianjin Future Private Equity Fund Management Partnership, a Limited Partnership under the laws of China, FTFT UK Limited, a company incorporated under the laws of United Kingdom, Future Fintech Digital Capital Management, LLC, a company incorporated under the laws of Connecticut, Future Fintech Digital Number One GP, LLC, a company incorporated under the laws of Connecticut, Future FinTech Labs Inc., a company incorporated under the laws of New York, and FTFT SuperComputing Inc. a company incorporated under the laws of Ohio. SkyPeople Foods Holdings Limited ("SkyPeople BVI") was a wholly owned subsidiary of the Company and a company organized under the laws of the British Virgin Islands, which held 100% of the equity interest of HeDeTang Holdings (HK) Ltd. ("HeDeTang HK"), a company organized under the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), and HeDeTang HK held 73.42% of the equity interest of SkyPeople Juice Group Co., Ltd., ("SkyPeople (China)"), a company incorporated under the laws of the PRC. SkyPeople (China) had eleven subsidiaries in the PRC, which were mainly involved in the production and sales of fruit juice concentrates, fruit juice beverages and other fruit-related products in the PRC and overseas markets. On February 27, 2020, SkyPeople BVI (the "Seller") completed the transfer of its ownership of HeDeTang HK to New Continent International Co., Ltd. (the "Buyer"), an unrelated third party and a company incorporated in the British Virgin Islands for a total price of RMB 0.6 million (approximately \$ 85,714), pursuant to a Share Transfer Agreement entered into by the Seller and the Buyer on September 18, 2019 and approved at the special shareholders meeting of the Company on February 26, 2020 (the "Sale Transaction"). SkyPeople BVI had no operational assets or business after the transfer and the Company dissolved SkyPeople BVI on July 27, 2020. Our organizational structure as of December 31, 2023 ~~2024~~ is set forth in the diagram: ~~Contractual Arrangements Equity Interest~~ 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 and the son of Mr. Yongke Xue, the President 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 ~~is was~~ consolidated for accounting purposes but ~~is 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. ~~Although the VIE Contractual Arrangements have been widely adopted by PRC companies seeking for listing abroad, such arrangements have not been truly tested in any of the PRC courts. There are very few precedents as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC laws. In addition, these VIE agreements have not been truly tested in the courts in China and Chinese regulatory authorities could disallow the VIE structure, which would likely result in a material change in our operations and/or value of our securities, including that it could cause the value of our securities to significantly decline or become worthless. The VIE structure is used to provide investors with exposure to foreign investment in China-based~~

companies where Chinese law prohibits or restricts direct foreign investment in certain types of operating companies, and that investors may never hold equity interests in the VIE. If the consolidated VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. The following is a summary of the ~~currently effective~~ 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 ~~allow~~ **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 ~~has had~~ **has 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 ~~are were~~ **are 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. ~~The VIE structure is subject to various risks. For example, the contractual arrangements may not be as effective as direct ownership in providing us with control over E- Commerce Tianjin. We expect to rely on the performance by the VIE~~

~~shareholders of their respective obligations under the contracts to exercise control over E-Commerce Tianjin. The VIE shareholders may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks will exist throughout the period in which we operate related e-commerce platform business through the contractual arrangements. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation or other legal proceedings which could be a lengthy process and very costly.~~ 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. Impact of COVID- 19 on our Business In December 2019, a novel strain of coronavirus was reported and has spread throughout China and other parts of the world. On March 11, 2020, the World Health

Organization characterized the outbreak as a “ pandemic ”. In early 2020, Chinese government took emergency measures to combat the spread of the virus, including quarantines, travel restrictions, and the temporary closure of office buildings and facilities in China. In response to the evolving dynamics related to the COVID- 19 outbreak, the Company was following the guidelines of local authorities as it prioritizes the health and safety of its employees, contractors, suppliers and business partners. Our offices in China were closed and the employees worked from home at the end of January 2020 until late March 2020. The quarantines, travel restrictions, and the temporary closure of office buildings have materially negatively impacted our business. The outbreak has had and might continue to have disruption to our supply chain, logistics providers, customers or our marketing activities with the new variants of COVID- 19, which could materially adversely impact our business and results of operations. There were outbreaks in various cities and provinces in China due to Omicron variant, such as Xi’ an city, Hong Kong, Shanghai, Beijing and other cities in 2022, which have resulted quarantines, travel restrictions, and temporary closure of office buildings and facilities in these cities. In December 2022, the Chinese government eased its strict zero COVID- 19 policy which resulted in a surge of new COVID- 19 cases during December 2022 and January 2023, which has disrupted our business operations in China. The Company’ s promotion strategy of CCM Shopping Mall previously mainly relied on the training of members and distributors through meetings and conferences. Chinese government put a restriction on large gatherings in 2020 and 2021, which made the promotion strategy for our online e- commerce platforms difficult to implement and the Company experienced difficulties to subscribe new members for its online e- commerce platforms. Since 2021, CCM generated minimal revenue and business for the Company. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024. While the potential economic impact brought by new variants of COVID- 19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. Further, as we do not have access to a revolving credit facility, there can be no assurance that we would be able to secure commercial debt financing in the future in the event that we require additional capital. In the event that we do need to raise capital in the future and there is any outbreak due to new variants, outbreak- related instability in the securities markets could adversely affect our ability to raise additional capital.

Company Strategy and Principal Products and Services Our core business historically was in the production and sale of fruit juice concentrates (including fruit purees and fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages) in the PRC and internationally. Due to drastically increased production cost and tightened environmental laws in China, the Company has transformed its main business from fruit juice manufacturing and distribution to a real- name blockchain e- commerce platform that integrates blockchain and internet technology in fiscal year 2019. Due to the outbreak of COVID- 19, the Chinese government put a restriction on large gatherings. These restrictions made the promotion strategy for our online e- commerce platforms difficult to implement and the Company experienced difficulties to subscribe new members for its online e- commerce platforms. Since 2021, CCM e- commerce platform has generated minimal revenue and business for the Company. The Company started a process to close it down in November 2023 and completed deregistration and dissolution of the VIE with local authority on March 7, 2024.

In November 2024, the Company sold NTAM to a third party for HK \$ 2. 4 million. Currently, the Company mainly generates its revenues from its supply chain financing / trading **business.** **During the fiscal year of 2024, the supply chain financing business and asset management business of NTAM contributed 7 % and 86 % of our revenues, respectively.** During the fiscal year of 2023, the supply chain financing **business** and asset management business **of NTAM** contributed 59 % and 37 % of our revenues, respectively. **During the fiscal year of 2022, the supply chain financing and wealth management business of NTAM contributed 42. 33 % and 57. 08 % of our revenues, respectively.** On ~~September 29~~ **February 27, 2022** ~~2023~~, **FTFT UK Future FinTech (Hong Kong) Limited (“ Buyer ”)** completed its acquisition of 100 % of the issued and outstanding shares of Khyber Money Exchange Ltd., a company incorporated in ~~England~~ **Hong Kong** and Wales, from Rahim Shah, a resident wholly owned subsidiary of **Future FinTech Group Inc.** United Kingdom for a total of Euros € 685, 000 (**the “ Company Purchase Price”**) entered into, pursuant to a ~~Share Purchase~~ **Transfer** Agreement (the “ Agreement ”) dated ~~September 1~~ **with Alpha Financial Limited**, 2021. Khyber Money Exchange Ltd. is a money transfer company **incorporated in Hong Kong** with a platform for transferring money through one of its agent locations or via its online portal, mobile platform or over the phone. Khyber Money Exchange Ltd. is regulated by the UK Financial Conduct Authority (FCA) and the parties received approval by the FCA before the formal closing of the transaction. In March 2022, FTFT UK Limited received has received approval to operate as an Electronic Money Directive (“ EMD- ~~Seller~~ ”) Agent and **sole owner and shareholder of Alpha International Securities** has been registered as such with the Financial Conduct Authority (~~FCA~~ **Hong Kong**) **Limited**, a UK regulator ~~company incorporated in Hong Kong (“ Alpha HK ”) and Alpha Information Service (Shenzhen) Co.~~ This status grants **, 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 UK International Securities and Futures Limited’ the ability to distribute or redeem e- money and provide certain financial ‘ FTFT Information Services Services on behalf of an e- money institution (Shenzhen registration number 903050) Co. Ltd.’ , respectively .** The Company is in the process of transition and developing its financial technology related business, including ~~asset management, supply chain financing / trading, and payment services, investment banking and brokerage , digital assets mining farm~~ services. Supply Chain Financing Service and Trading in China Since the second quarter of 2021, we started supply chain financing service and trading business, which currently includes coal, aluminum ingots, sand and steel supply chain financing service and trading business. Our supply chain finance business mainly serves the receivables and payables of industrial customers, obtains the creditor’ s rights or commodity goods rights of large state- owned enterprises through trade execution, provides customers with working capital,

accelerates capital turnover, and then expands the business scale and improves the industrial value. Through our supply chain service ability and customer resources, we can tap into low- risk assets, flexibly carry out financial services around the actual financial needs of certain industries, and reduce the overall risk of the business by using the control of business flow, goods logistics and capital flow in the process of commodity circulation. We focus on bulk commodity goods such as sand, steel, coal and aluminum ingots and take large state- owned or listed companies as the core service targets; We use our own funds as the operation basis, actively uses a variety of channels and products for financing, such as banks, commercial factoring companies, accounts receivable, asset- backed securities, and other innovative financing methods to obtain sufficient funds. We sign purchase and sale agreements with suppliers and buyers. The suppliers are responsible for the supply and transportation of goods to the end users' designated freight yard or transfer the title to us in certain warehouses. We also provide trading service as we don' t take control over the ownership of the goods but receive lower margin for the transaction. For the sale of goods where we obtain control of the goods before transferring it to the customer, we recognize revenue based on the gross revenue amount billed to customers as sales of goods. We consider multiple factors when determining whether we obtain control of third- party goods, including evaluating if we can establish the price of the goods, retain inventory risk for tangible goods or have the responsibility for ensuring acceptability of the goods. We recognize net revenue as agent services for the sales of coals, aluminum ingots, sand and steel when no control obtained throughout the transactions. We select the customers and suppliers that have good credit and reputation. Asset Management, Brokerage and Investment Banking Services in Hong Kong. The Company acquired 90 % of the issued and outstanding shares of Nice Talent Asset Management Limited (" NTAM "), a Hong Kong- based asset management company in August 2021. NTAM was founded in 2018 and it engages asset management and advisory services. NTAM is licensed under the Securities and Futures Commission of Hong Kong (SFC) for carrying out regulated activities in " Advising on Securities " and " Asset Management ". NTAM offers diversified asset management portfolio for professional investors. Assets of NTAM' s clients are held in banks, where clients gave the banks their authorization allowing NTAM to place trading instructions on behalf of the clients in order to manage the clients' assets. NTAM mainly engages in following asset management services for its clients: (1) Equity Investment ~~NTAM manages clients' investment portfolio in stocks of the companies listed on the international market with strong liquidity. At the same time, it selects companies that have unique or differentiated businesses, realizing above average profit growth.~~ (2) Debt investment ~~When NTAM manages clients' investment portfolio in bonds that are denominated in major international currencies such as US dollar, euro and sterling, the issuer of debts shall have good credit rating and asset liability ratio. Through active management, NTAM focus on bonds with higher yield to maturity among bonds with the same maturity and credit rating.~~ (3) Precious metals and currencies investment ~~NTAM also manages clients' investment portfolio in major international currencies and precious metals, including US dollar, euro, British pound, Japanese yen, Australian dollar and offshore Chinese yuan. Precious metals include gold, platinum and silver. With research on the fundamentals of market supply and demand to predict the trend of commodity prices, NTAM endeavors to improve the rate of return for clients through dual currency investment, options and structured products.~~ (4) Derivative Investment ~~NTAM also manages clients' investment portfolio in financial derivatives in different asset classes, such as options and structured products.~~ (5) External Asset Management Services (EAM) ~~This business takes customer demand as the service purpose, cooperates with several private banks which provide asset custody services, and innovatively introduces the function of investment bank to provide exclusive private solutions for our clients. 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 March NTAM were issued to Ms. Lau Kwai Chun at a cash consideration of HK \$ 1, 786, 31-301 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 has approximately US issued additional 168 shares with HK \$ 346-17, 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 assets- asset under its 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. ~~Money Transfer Business FTFT Finance UK Limited (" FTFT Finance ") formerly known as Khyber Money Exchange Ltd. was acquired by FTFT UK Limited in September 2022. It is regulated by UK Financial Conduct Authority (" FCA ") for its cross- border money transfer systems and service. FTFT Finance was incorporated in 2009 and is a pioneer in the UK for money remittance services. FTFT Finance provides money transfer services through its platform to transfer money around the world via one of its agent locations or its online portal;~~

mobile platform, or over the phone. FTFT Finance is headquartered in the UK and it has a trade name of FTFT Pay. FTFT Finance's plan is to develop products and services across different regions of the world. FTFT Finance is a financial platform that enables its customers to send their hard-earned money to their country of origin, or any other country of their liking, with ease and at a reasonable cost, transparent exchange rate and without any hidden charges. We believe our customers and their diverse backgrounds that has helped FTFT Finance to become a credible and trustworthy money remittance business. Remittance service is a highly saturated market in the United Kingdom and there are many companies that offer remittance services. FTFT Finance has an edge over companies like wise in many different ways, for example, FTFT Finance offers competitive rates for its services and does not charge customer fees for remittance to Pakistan as it receives its rebate from local banks. This approach provides gives us an advantage over our competitors. According to the Office for National Statistics, the UK economy grew by 0.1% for the year of 2023, and GDP per capita fell by 0.6% for the year of 2023, and the slow-down of UK economy directly cause the decline in the amount and frequency of remittance business which also negatively impacted our business. Also, the exchange rate fluctuation in 2023 is relatively large, which significantly reduced our income.

Competition and our Competitive Advantages Asset Management Market in Hong Kong We believe NTAM has the following competitive advantages in the asset management market in Hong Kong: (1) Provide customers with comprehensive and professional financial services NTAM currently holds Type 4 (Securities Advisory) and Type 9 (Asset Management) regulated activity licenses issued by the Hong Kong Securities and Futures Commission. It can provide a series of professional financial services for customers, including providing financial advisory services, and various capital entrusted investment management services for the investment in the companies and instruments listed or unlisted on the stock exchanges in Hong Kong, mainland China and worldwide. (2) Simple and efficient management structure Compared with the multi-level structure with multiple approval procedures by other large firms, NTAM adopts a more concise and efficient direct reporting system. Each business team can directly report the business to the board of directors of NTAM, which provides fast and efficient services for the company's customers, quickly responds to the changes of market conditions, timely seizes market investment opportunities and responds to adverse factors. (3) An experienced and diligent management team The senior managers in NTAM have many years of experience in private banks and accounting firms and some of them have been in the asset management industry for more than 10 years. The management team has a comprehensive vision and efficient execution ability, and can bring more incremental business to the company with their professional advantages and personal resources. (4) Maintain close and stable relationship with customers NTAM has established a close and stable business relationship with its existing customers and understood their long-term business objectives, strategies and preferences, so that it can provide customized advisory and asset management services to the customers. NTAM believes its market reputation and existing customers' confidence in the company can promote customers to introduce and bring new customers.

Brokerage and Investment Banking ServicesThe online brokerage market is highly competitive and rapidly evolving. Our primary competitors include online brokers and other firms providing brokerage services. Nevertheless, we believe that our diverse product offerings, advanced technology infrastructure, efficient trade execution, top quality customer services and competitive pricing together make us one of the top performers in this market. Although some of our competitors may have greater financial resources or a larger customer base than we do, we believe that our proprietary trading platform, comprehensive customer services, innovative products and services, unparalleled user experience, robust infrastructure and advanced technology, and strong brand recognition are powerful competitive strengths in the fast-evolving online brokerage market.

Supply Chain Finance Market in China We believe our supply chain finance business has the following competitive strengths and set us apart from our competitors: (1) Independent risk control management system At the beginning of its establishment, we established a complete and independent risk control management system for our supply chain finance business, and have strictly implemented the unified and comprehensive risk control management for customer access, contract signing, business execution, and capital allocation. (2) High-quality customer 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.

Money Transfer Market in UK Remittance service is a highly saturated market in the United Kingdom. There are many companies that offer remittance services as our competitors, such as Aee Money Transfer, Wise (formerly known as Transfer Wise), Remitly and Remit World. FTFT Finance has an edge over companies like wise in many different ways, for example, FTFT Finance offers competitive rates for its services and it does not charge customer fees for remittance to Pakistan as it receives its rebate from local banks. This approach provides gives us an advantage over our competitors.

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.

NTAM has multidimensional flexible layout for its business development. It manages clients' investment portfolio in a diversified manner across multiple asset classes in global markets. The type and proportion of positions are determined according to the long-term and short-term investment goals of investors and other market factors. In terms of specific operation, NTAM relies on solid investment and research ability to

flexibly adjust its position and avoid the price fluctuation of its subject matter caused by risk events. NTAM also uses “License talent” to maintain core competitiveness. With its Type 4 (Securities Advisory) and Type 9 (Asset Management) licenses issued by the Hong Kong Securities and Futures Commission, NTAM continues to take the advantages of such licenses to optimize its business structure, expand the business scale, actively expand business opportunities in different regions, continue to recruit outstanding talents in the industry, and introduce incentive measures for the senior management, so as to maintain the development vitality of the company, continuously strengthening the core competitiveness. NTAM runs its risk management system throughout its core business operations and continuously evaluates the potential risks that may cause impact in the daily operation of its business segment, including evaluating the effectiveness of existing internal control measures, whether they are sufficient to deal with potential risks and whether they need to be supplemented. The relevant review results are entered in time to analyze the potential strategic impact, so that the internal control measures can be more effective and timely, and ensure the steady operation of the company while developing rapidly.

FTFT International Securities and Futures Ltd. (“FTFT Securities”), founded in 2010, is a HKSF 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. Along with NTAM, it relies FTFT’s diversified business system, to provide customers with asset management, wealth management, securities brokerage and investment banking services, with a full range and one-stop financial services and solutions.

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.

According to the Office for National Statistics, the UK economy grew by 0.1% for the year of 2023, and GDP per capita fell by 0.6% for the year of 2023, and the slow-down of UK economy directly cause the decline in the amount and frequency of remittance business which also negatively impacted our business. Also, the exchange rate fluctuation in 2023 is relatively large, which significantly reduced our income.

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.

On November 14, 2021, CAC published the Administration Measures for Cyber Data Security (Draft for Public Comments), or the “Cyber Data Security Measure (Draft)”, which requires cyberspace operators with personal information of more than 1 million users who want to list abroad to file a cybersecurity review with the Office of Cybersecurity Review.

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 ~~Asset Management and 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 Type1 1-~~ dealing in securities; ~~Type Type2 2-~~ dealing in futures contracts; ~~Type Type3 3-~~ leveraged foreign exchange trading; ~~Type Type4 4-~~ advising on securities; ~~Type Type5 5-~~ advising on futures contracts; ~~Type Type6 6-~~ advising on corporate finance; ~~Type Type7 7-~~ providing automated trading services; ~~Type Type8 8-~~ securities margin financing; ~~Type Type9 9-~~ asset management; ~~Type Type10 10-~~ providing credit rating services; ~~Type Type11 11-~~ Dealing in OTC derivative products or advising on OTC derivative products; ~~and Type12 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 ~~NTAM and FTFT~~ Securities are licensed under the HKSFO to conduct the following regulated activities: Company Type of Regulated Activities ~~Nice Talent Asset Management Limited (“ NTAM ”)~~ (1) ~~Type 4 and Type 9~~ FTFT International Securities and Futures Ltd. (“ FTFT Securities ”) Type 1, Type 2 and Type 4 ~~Notes: (1) The following conditions are currently imposed on the HKSFC license of NTAM: • The licensee shall only provide services to professional investors. The term “ professional investor ” is as defined in the HKSFO and its subsidiary legislation. • The licensee shall not hold client assets. The terms “ hold ” and “ client assets ” are as defined under the HKSFO. Licensed 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 HKSF, 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 HKSF. 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 HKSF and subject to the due process for exercising disciplinary powers laid down in section 198 of the HKSF, 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 HKSF). • 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.

~~Regulations Relating to Money Transfer in UK. The Financial Conduct Authority (FCA)– The FCA is the main regulator for money transfer business in the UK. It is responsible for authorizing and supervising money transfer business that provide payment services, including money transfer services. The FCA sets out the regulatory requirements for money transfer business in the Payment Services Regulations 2017 (PSR 2017) and the Electronic Money Regulations 2011 (EMR). Her Majesty's Revenue and Customs (HMRC)– HMRC is responsible for supervising money transfer business that are not authorized by the FCA but are required to register with HMRC for anti- money laundering purposes. HMRC sets out the regulatory requirements for money transfer business in the Money Laundering Regulations 2017 (MLR 2017). While the FCA and HMRC are the main regulators for money transfer business in the UK, there may be other regulators that money transfer business needs to comply with depending on their specific activities. For example, if a money transfer business also provides currency exchange services, it may be subject to additional regulations from the Financial Conduct Authority or HM Revenue & Customs.~~

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 ~~hedejiachuan-ftft~~.com, ~~ftftx~~.interval.vip, interval.net.cn, interval.com.cn, ~~ftftcapital~~.interval.ce, interval.ltd, interval.top, ftex.ltd, ftex.net.cn, ftex.vip, ftex.top, ftex.ce, deon.top, deonpay.com, and deonio.com, digipay.ink, digipay.vip, globalkey.vip, globalkey.shop, globalkey.store, digipay.net.cn, digipay.ltd, globalkey.net.cn, globalkey.ce, globalkey.top, ftft.top, ftftex.com, ftft.com, ftftbank.com, mftftpay.com, inuteam.com, ftftx.com, ftftcapital.com, ftftorbit.com, ftftdigitalcapital.com, alphakint.com. All these Domain names are owned by the subsidiaries of the Company. The Company owns copyrights for the software for its blockchain-based e-commerce platform application, including: (i) a blockchain credit points discount settlement system; (ii) a blockchain credit points circulation monitoring system; (iii) a legal currency and credit points synchronization settlement system; (iv) a blockchain credit points flow system; (v) an agent automatic profit distribution system (vi) an agent automatic tax deduction and accounting system; (vii) a manufacturer automatic accounting system; (viii) an e-commerce and blockchain anti-counterfeiting linkage system; (ix) a blockchain discount and promotion automatic balance system; (x) a blockchain real-name authentication and legal responsibility system. FTFT UK Limited owns the software for its financial app and FTFT Capital Investments L. L. C. owns the software for its marketing data platform FTFTX. We believe that our continued success and competitive status depend largely on our proprietary technology and ability to innovate. We have taken measures to protect the confidentiality of our proprietary technologies and intellectual property. We rely on a combination of know-how, copyrights for our software and 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, 2023-2024, we had 66-36 full-time employees and 3-4 part-time employees, among which 25-31 are located in the PRC, 32-5 are located in Hong Kong, 2 are located in the United States, 7 are located in United Kingdom and 2 are located in Dubai and 1 is located in Paraguay. None of our employees are covered by a collective bargaining agreement as of the date of this Report. We consider our relationships with our employees to be good. ITEM 1A – RISK FACTORS Our business and an investment in our securities are subject to a variety of risks. The following risk factors describe the most significant events, facts or circumstances that could have a material adverse effect upon our business, financial condition, results of operations, ability to implement our business plan and the market price for our securities. Additional risks and uncertainties that presently are not considered material or are not known to us, and therefore are not mentioned herein, may impair our business operations. Many of these events are outside of our control. If any of these risks actually occurs, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment. Risks Related to Our Business **We are involved, and may become involved in the future,**

in disputes and legal or regulatory proceedings that, could materially and adversely affect our business, financial condition and results of operations and cause the value of our securities to significantly decline or be worthless. In January 2021, FT Global Capital, Inc. (“ FT Global ”), a former placement agent of Future FinTech Group Inc. (the “ Company ” or “ Defendant ”) filed a lawsuit against the Company in the Superior Court of Fulton County, Georgia in January 2021, relating to alleged breaches of an exclusive placement agent agreement between FT Global and the Company in July 2020. The Company timely removed the case to the United States District Court for the Northern District of Georgia (the “ Court ”) on February 9, 2021 based on diversity of jurisdiction. On April 11, 2024, the Court entered a judgment awarding FT Global \$ 8, 875, 265. 31 and on April 16, 2024, the Court issued an amended judgment, awarding FT Global \$ 10, 598, 379. 93, which includes \$ 7, 895, 265. 31 in damages, \$ 1, 723, 114. 62 in prejudgment interest, and \$ 980, 000. 00 in attorney’ s fees. On May 9, 2024, the Company filed a post- trial motion to set aside the jury verdict and for a new trial and the Court denied the motion on March 3, 2025. The Company filed notice of appeal to appeal the judgement to the United States Court of Appeals for the Eleventh Circuit on April 2, 2025. FT Global has registered the Court’ s judgment in the United States District Court for Southern District of New York (“ NY Court ”), where FT Global has brought a motion requiring the Company to turn over its stock in its subsidiary companies. The Company has filed an opposition to the motion, arguing that according to the New York statute the NY Court should first determine that the value of the stock in the subsidiary is insufficient to satisfy the judgment as the Company believe the request for turnover is premature before a valuation hearing. On August 28, 2024, NY Court granted FT Global’ s motion for turnover of Defendant’ s shares in Defendant’ s wholly- owned subsidiaries as Defendant 1) failed to satisfy the \$ 10. 8 million judgment rendered in the Northern District of Georgia and registered in the Southern District of New York, and 2) is in possession of money and property in which it has an interest. The NY Court ordered Defendant shall turn over the shares, membership, or limited partnership interests in all of its subsidiaries, and the corporate seals of its China and Hong Kong- based subsidiaries, to the U. S. Marshal for auction or sale until the judgment is satisfied. Pursuant to the order issued by the United States District Court for the Southern District of New York on August 28, 2024, the United States Marshal for the Southern District of New York (“ U. S. Marshal ”) sold the securities of the subsidiaries of the Company other than those in Hong Kong and China in auction of: (i) all of the membership interests in Future Fintech Digital Capital Management LLC; (ii) all of the outstanding shares of FTFT UK Limited; (iii) the corporate seal of DigiPay FinTech Limited; (iv) the corporate seal of GlobalKey SharedMall Limited; (iv) all of the outstanding shares of Future Fintech Labs Inc.; and (v) all of the outstanding shares of Future Fintech Digital Number One GP, LLC (USA) to Alec Orudjiev, the general counsel of FT Global for \$ 25, 000 on December 18, 2024. On December 6, 2024, the Company agreed to sell all issued and outstanding shares of FTFT SuperComputing Inc. a wholly owned subsidiary of the Company (“ FTFT SuperComputing ”) to DDMM Capital LLC (the “ Buyer ”) for a purchase price that equals to: (i) the assumption of the obligations of FTFT SuperComputing totaling \$ 973, 072. 24 and (ii) \$ 1, 000, 000, which was paid to an account at Olshan Frome Wolosky LLP to satisfy, in part, the right of payment held by FT Global Capital, Inc. arising from the judgment entered in favor of FT Global and against the Company registered in the Southern District of New York and all matters pertaining to such litigation. The Company has appealed the turnover order of the NY Court for the auction of securities of the subsidiaries of the Company in Hong Kong and China to the United States Court of Appeals for the Second Circuit and is waiting for the final decision of the Court of Appeals. On February 6, 2025, FT Global filed a motion (“ Motion ”) in the NY Court, amended on February 12, 2025, seeking a turnover order for 39, 825, 939 unissued shares of the Company’ s common stock for sale to satisfy the judgement. The amended motion directs the requested relief not only at the Company but also at Transshare Corporation, the Company’ s Florida- based transfer agent. The Company believes the Motion lacks merit, as the issuance of unissued shares in this manner would violate corporate governance principles, Florida corporate law, and federal securities regulations. The Company has opposed the Motion, which is now fully briefed and awaits decision by the NY Court. The litigation against FT Global has been long and costly which has materially and adversely affect our business, financial condition and results of operations. If the NY Court grants the Motion, we will have to turn over for all the unissued shares of common stock of the Company and the existing shareholders will be significantly diluted and the value of our securities will significantly decline or become worthless. From time to time, we may be a defendant in lawsuits and regulatory actions relating to our business. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse effect on our business, financial condition and results of operations. In addition, any significant litigation, regardless of its merits, could divert management’ s attention from our operations and may result in substantial legal costs. The Company has also been named in a putative securities class action case and a derivatives case described in Item 3 Legal Proceedings below. While the Company believes it has adequate defenses, the defense of those cases could become costly and could significantly divert management attention from its business. An occurrence of an uncontrollable event such as the COVID- 19 pandemic may negatively affect our operations and financial results. In recent years, there have been outbreaks of epidemics in various countries. At the end of 2019, there was an outbreak of a novel strain of coronavirus (COVID- 19), which has been spread rapidly to many parts of the world, including China, Hong Kong, UK and the U. S. In March 2020, the World Health Organization declared COVID- 19 a pandemic. The COVID- 19 pandemic resulted in, among other things, quarantines, travel restrictions, and the temporary closure of office buildings and facilities in China, Hong Kong, UK and in the U. S. A large part of our revenues are generated in China and Hong Kong. Consequently, our results of operations was adversely affected during the outbreak, especially between 2020 and 2022. There have been outbreaks of Omicron variant in various cities in China in 2022 which resulted quarantines, travel restrictions, and temporary closure of office buildings and facilities in these cities. In December 2022, the Chinese government eased its strict zero COVID- 19 policy which resulted in a surge of new COVID- 19

cases during December 2022 and January 2023, which has disrupted our business operations in China. A widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. In addition, a recession or market correction resulting pandemic could materially negatively affect our business and the value of our common stock. In general, our business could be adversely affected by the epidemics, including, but not limited to, COVID- 19, avian influenza, severe acute respiratory syndrome (SARS), the influenza A virus, the Ebola virus, or other outbreaks. In response to an epidemic or other outbreaks, governments and other organizations may adopt regulations and policies that could lead to severe disruption to our daily operations, including temporary closure of our offices and other facilities. These severe conditions may cause us and / or our partners to make internal adjustments, including but not limited to, temporarily closing down business, limiting business hours, and setting restrictions on travel and / or visits with clients and partners for a prolonged period of time. Various impacts arising from severe conditions may cause business disruption, resulting in material, adverse effects to our financial condition and results of operations. Economic conditions have had and may continue to have an adverse effect on our customers' spending on our products and services. The worldwide economy remains volatile and may have entered in global recession. The adverse effect of a sustained international economic downturn, including sustained periods of decreased spending, high unemployment levels, declining consumer or business confidence and continued volatility and disruption in the credit and capital markets in China, would likely result in reduced demand for our products and services. To the extent an economic downturn develops, we could experience a reduction in sales volume. If we are unable to reduce our operating costs and expenses proportionately, many of which are fixed, our results of operations would be adversely affected. The supply chain financing service industry is an emerging and rapidly evolving industry in China and we might not achieve the development as we expected. The supply chain financing service industry in China is highly dynamic and rapidly evolving. Operating in this industry demands applying cutting- edge technologies to digitalize supply chain financing workflows and optimize payment cycles, which is an emerging and relatively new business model in China. In addition, we are facing uncertainties relating to the intensifying competition, **inflation, general economy conditions** and evolving regulatory environment in China' s supply chain financing service industry. There have been limited proven methods to project available technology, regulatory and industry standards on which we can rely, and the **slowdown of domestic industries of infrastructure, the** delay, unexpected or adverse developments in this sector may adversely and materially affect our operational and financial performances. As market develops, regulatory environment and our business continue to develop, we may need to adjust our business model and continue to upgrade our products and service offerings, and if we fail to **respond to and** adapt to these developments promptly, or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected. The supply chain financing service industry is increasingly competitive in China. If we fail to compete effectively, we may lose our customers and partners, which could materially and adversely affect our business, financial condition and results of operations. The supply chain financing service industry in the PRC is increasingly competitive, and there is no guarantee that we will be able to compete effectively and implement our business strategies. We face intense competition primarily from third- party supply chain financing service providers. Some of these competitors may have established strong brand recognition, robust technological capabilities and significant financial resources or offer comparable technology solutions or own similar business scale to us. Intensifying competition may result in certain developments in this industry, such as downward competitive pressure on price, expansion by existing competitors, adoption by our competitors of innovative technology solutions or comparatively effective branding efforts, any of which may have a material adverse impact on our financial condition, results of operations and growth prospects. Increased investments made and lower prices or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive, and ultimately may place a greater pressure on us to maintain our market share and negatively impact the revenues growth and profitability of our business. Furthermore, our business is subject to rapid changes in the industries we operate in, such as the introduction of new business models, and the entry of new and well-funded competitors or industry disruptors. We may face even more intensified competition as a result of certain alliances, acquisitions or consolidations within the industries where we operate that result in emergence of stronger competitors. Existing and new competitors may leverage their established platforms or market positions, or introduce innovative business models, to launch products or services that may attract a large customer base and achieve rapid growth, which may materially and adversely affect our business and results of operations. If we are not able to compete effectively, the number of our customers and partners may decrease and our market share and profitability may be negatively affected, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brand. Our supply chain finance business faces risks in receivables, timely supplies, credit evaluation and commodity price fluctuations all of which could materially and adversely affect our business, financial condition and results of operations. Our supply chain finance business faces various risk in its operation, including (i) risk of failure to collect our receivables in time after the delivery of commodities; (ii) risk of unable to supply / deliver the commodity according to the contract requirements such as issues of quality and / or quantity of goods. If we fail to control such risk and strictly implement our new supplier and client evaluation standards as well as the background investigation for our risk control, we might not receive payment for the goods delivered or lose control of the title of the goods or breach contracts to supply goods according to their terms, which will materially and adversely affect our business, financial condition and results of operations. Also, if the market for commodities fluctuates sharply, our downstream customers might default on their purchase obligation and cause losses to us. ~~The asset management services that NTAM provides involve various risks. especially and failure to identify or fully appreciate such risks will negatively affect our reputation, client relationships, operations and prospects. NTAM provides asset and wealth management service to clients. Neither the principal nor the return of the asset management products that NTAM has provided its services on is guaranteed by NTAM. As such, NTAM generally does not bear any liabilities for any loss to capital invested in the products. However, despite related risk warnings and disclaimers, the investors may attempt to hold NTAM responsible for their losses~~

and terminate their business with us, which could harm our reputation and result in reduced business. In addition, although NTAM has implemented transparent disclosure policies, such policies and procedures may not be fully effective. If NTAM or its customer service personnel are found to have engaged in misconduct or negligent in providing their services, NTAM may be held responsible when the investors incur losses, and our reputation, client relationships, business and prospects will be materially and adversely affected. Our operations of NTAM depend on key management and professional staff and our business may suffer if we are unable to recruit or retain them. The success of our business is dependent, to a large extent, on the continued services of NTAM's senior management, especially Mr. Siu Kei Chan, the Chief Executive Officer of NTAM. If NTAM loses the service of Mr. Chan, it needs to promptly hire an experienced professional from the market, otherwise it may not be able to execute its existing business strategy effectively, or we may have to change our current business direction. Such disruptions to our business may take up significant energy and resources of **infrastructure** the Company, and materially and adversely affect our future prospects. Moreover, NTAM daily operations depend on the members of its mid-level management, experienced investment and trading managers, licensed representatives, risk management officers, research analysts and IT specialists. We devote considerable resources to the recruiting and retaining these personnel. However, the market for quality professionals is increasingly competitive. We expect to face significant competition from other assets management firms and technology companies in **China slows down** hiring such personnel. The intense competition may require us to offer more competitive compensation and other benefits to our talent, which could materially and adversely affect our financial condition and results of operations. As a result, it may be difficult for us to continue to retain and motivate these employees, and this could affect their decisions about whether or not they continue to work for us. If we do not succeed in attracting, hiring, and integrating excellent personnel, or retaining and motivating existing personnel, NTAM may be unable to grow effectively. Our risk management and internal control systems of NTAM, as well as the risk management tools available to us, may not fully protect us against various risks inherent in our business. Currently, NTAM follows its comprehensive internal risk management framework and procedures to manage its risks, including but not limited to, reputational risk, legal risk, regulatory and compliance risk, operational risk, market risk, liquidity risk, and credit risk. However, its risk management policies, procedures and internal controls may not be adequate or effective in mitigating the risks or protecting it against unidentified or unanticipated risks. In particular, some methods of managing risks are based upon observed historical market behavior and experience in the securities industry. These methods may fail to predict future risk exposures, which could be significantly greater than those indicated by our historical measures. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters, which may not be accurate, complete, up-to-date or properly evaluated. In addition, the capital markets in Hong Kong are rapidly developing, the information and experience that NTAM relies on for its risk management methods may become quickly outdated as capital markets and regulatory environment in Hong Kong continue to evolve. Deficiencies in the risk management and internal control systems and procedures may adversely affect our ability to identify or report our deficiencies or non-compliance. Any of these may have a material and adverse effect on our business, financial condition, and operating results. The operations of NTAM may be adversely affected if it fails to obtain or maintain necessary approvals for conducting a particular business. Due to the highly regulated nature of the financial industry in jurisdiction where NTAM operates, many aspects of its business depend on obtaining and maintaining approvals, licenses, permits or qualifications from relevant regulators in Hong Kong. Obtaining and maintaining such approvals, licenses, permits or qualifications is contingent on NTAM's compliance with regulatory requirements. Any failure to comply with regulatory requirements could limit the scope of businesses in which NTAM is permitted to engage. Furthermore, additional regulatory approvals, licenses, permits or qualifications may be required by relevant regulators in the future, and some of current approvals, licenses, permits or qualifications of NTAM are subject to periodic renewal. The failure to obtain or maintain the required approvals, licenses, permits or qualifications could adversely affect our results of operations and financial condition. The brokerage and investment banking service industry are intensely competitive in Hong Kong. If we are unable to compete effectively, we may lose **business** our market share 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 **an a** provider of brokerage and investment banking business services for Hong Kong and Chinese investors on a global basis, our business generally requires us to react promptly to the evolving demand of our clients and be able to provide innovative financial solutions tailored to their needs. We may not be able to compete effectively with our competitors at all times and always be able to provide appropriate financial solutions that promptly and accurately address our clients' needs. If this were to happen, our ability to attract new or retain existing clients will suffer, which would materially and adversely affect our revenues and earnings. We primarily compete with other providers of financial services to Asian investors. We may face pricing pressure as some of our competitors may seek to obtain higher market share by reducing fees and commissions. Some of our competitors include large global financial institutions or state-owned PRC financial institutions operating or headquartered in Hong Kong, many of which have longer operating histories, far broader

financial and other resources, and significantly greater name recognition than us and have the ability to offer a wider range of products, which may enhance their competitive position. They also regularly support services we do not provide, such as commercial lending, margin lending and other financial services and products, which puts us at a competitive disadvantage and could result in pricing pressures or lost opportunities, which in turn could materially and adversely affect our results of operations. In addition, we may be at a competitive disadvantage with regard to some of our competitors that have larger customer bases and greater human resources. We may engage in future acquisitions involving significant expenditures of cash, the incurrence of debt or the issuance of stock, all of which could have a materially adverse effect on our operating results. As part of our business strategy, we review acquisition and strategic investment prospects that we believe would complement our current product and service offerings, augment our market coverage, enhance our technological capabilities or otherwise offer growth opportunities. From time to time, we review investments in new business and we expect to make investments in, and to acquire, business, products or technologies in the future. We have completed acquisitions of a money transfer company in UK and brokerage and investment banking firm in Hong Kong in 2023. In the event of any future acquisitions, we may expend significant costs and cash, incur substantial debt and / or issue equity securities and dilute the percentage ownership of current shareholders, all of which could have a material adverse effect on our operating results and the price of our stock. We cannot guarantee that we will be able to successfully integrate any business, products, technologies or personnel that we may acquire in the future, and our failure to do so could have a material adverse effect on our business, operating results and financial condition.

For example, we had to sell NTAM as it was unable to generate net profit due to high labor cost and slow down of capital market in Hong Kong.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position. Our success depends, in part, on our ability to protect our proprietary technologies. The process of seeking intellectual property protection can be lengthy and expensive and we cannot guarantee that our existing or future intellectual property rights will be fully protected or bring us the commercial advantages. We also cannot guarantee that our current or potential competitors do not have, and will not obtain, intellectual property rights that will prevent, limit or interfere with our ability to use our technology or sell our products and services in the PRC or other countries. The implementation and enforcement of PRC intellectual property laws historically have not been vigorous or consistent. Accordingly, intellectual property rights and confidentiality protections in the PRC are not as effective as those in the United States and other countries. We may need to resort to litigation to enforce or defend our rights or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation will require significant expenditures of cash and management efforts and could harm our business, financial condition and results of operations. An adverse determination in any such litigation will impair our intellectual property rights and may harm our business, competitive position, business prospects and reputation. ~~The blockchain and digital assets related products and services that we are developing have the potential to be used in ways we do not intend, including for criminal or other illegal activities. Blockchain related products and services, in particular cryptocurrencies, have the potential to be used for financial crimes or other illegal activities. We are currently developing digital assets mining farms, there are uncertainties regarding any legal and regulatory requirements for preventing blockchain related products and services from being put to such uses, and there are uncertainties regarding the liabilities and risks to the Company if we are unable to prevent such uses. Even if we comply with all laws and regulations regarding financial and blockchain and digital assets related products and services, we have no ability to ensure that our customers, partners or others to whom we license or sell our products and services comply with all laws and regulations applicable to them and their transactions. Although we only provide hosting services to digital assets miners, the security measures employed by our projects are subject to further improvement and development. There is no guarantee that the security measures that we currently use or any that we may develop in the future will be effective. Any negative publicity we receive regarding any allegations of unlawful uses of our services and mining farm could damage our reputation. More generally, any negative publicity regarding unlawful uses of blockchain technology in the marketplace could reduce the demand for our products and services. The occurrence of any of the foregoing could have a material adverse effect on our financial results and business. The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, and offerings of digital assets is uncertain, and new regulations or policies may materially adversely affect the development of our blockchain related business. Regulations of digital assets, cryptocurrencies, crypto mining, blockchain technologies, are currently undeveloped and likely to rapidly evolve as government agencies take greater interest in them. Regulations also vary significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, or guidance, or take other actions, which may severely impact the permissibility of tokens, crypto currencies and digital assets generally and the technology behind them or the means of transaction or in transferring them. Failure by our subsidiaries to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.~~ 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, ~~apps~~, network infrastructure and processing systems. Our supply chain financing, ~~and money transfer~~, assets management and **financial digital mining** 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, apps 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, money transfer, assets management and financial digital mining 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. Failure to comply with sanctions laws, anti-terrorist financing laws, anti-money laundering laws, and similar laws associated with our activities, and anti-corruption laws could subject us to penalties and other adverse consequences. We have implemented policies and procedures designed to allow us to comply with anti-money laundering laws and economic sanctions laws and prevent our money transfer platform from being used to facilitate business in countries or with persons or entities designated on lists promulgated by governments and equivalent international authorities or that are otherwise the target of sanctions. We may utilize the services of vendors, such as screening tools, in implementing such policies and procedures. In the event that we or any of our users engage in any conduct, intentionally or not, that facilitates money laundering, terrorist financing, or other illicit activity, or that violates anti-money laundering or sanctions laws, or otherwise constitutes activity that is prohibited by such laws, including through the fault of any vendor, we may be subject to fines, penalties, lawsuits, and enforcement actions; additional compliance requirements; increased regulatory scrutiny of our business; restriction of our operations; or damage to our reputation or brand. Law enforcement and regulators continue to scrutinize compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures that we use to verify the identity of our customers or monitor our platform for potential illegal activity. In addition, any policies and procedures that we implement to comply with sanctions laws may not be effective, including in preventing customers from using our services for transactions with sanctioned persons or jurisdictions subject to comprehensive sanctions. Given the technical limitations in developing controls to prevent, among other things, the ability of customers to publish on our platform false or deliberately misleading information or to develop sanctions-evasion methods, it is possible that we may inadvertently and without our knowledge provide services to individuals or entities that have been designated by UK or Hong Kong government or other relevant sanctions authorities are located in a jurisdiction subject to comprehensive sanctions or an embargo by the UK, Hong Kong or other countries in which we operate or are licensed to do business, and such services may not be in compliance with applicable economic sanctions regulations. Sanctions are imposed to address acute foreign policy and national security threats and may change rapidly and unpredictably in response to world events or domestic or international political developments. Additionally, as we expand our services into additional jurisdictions, we may become subject to additional sanctions requirements imposed by those jurisdictions or face increased risk of processing transactions in violation of sanctions requirements to which we are currently subject. We may be unable to update policies, procedures, or controls to timely and effectively address changes in applicable legal requirements or in our sanctions risk environment. Consequences for failing to comply with applicable rules and regulations could include fines, criminal and civil lawsuits, forfeiture of significant assets, or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. In addition, any perceived or actual breach of compliance by us, our customers, vendors, or our payment or disbursement partners with respect to applicable laws, rules, and regulations could have a significant

impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, cause other payment or disbursement partners to terminate or not renew their agreements with us, require us to expend significant funds to remedy problems caused by violations and to avert further violations, adversely affect our relationship with our partner banks and other commercial counterparties and expose us to legal risk and potential liability, all of which may adversely affect our business, operating results, and financial condition. Use of our money transfer platform for illegal or fraudulent activities could harm our business, reputation, financial condition, and operating results. Our platform is susceptible to illegal, improper or fraudulent uses, including money laundering, terrorist financing, sanctions evasion, bank fraud, payments involving child pornography or human trafficking, and the facilitation of other illegal, improper or fraudulent activity. The digital financial services industry is under increasing scrutiny from federal, state, and international regulators in connection with the potential for such illegal, improper or fraudulent activities. In addition, our remittance service facilitates payments to jurisdictions which may in some cases have higher levels of illegal, improper payments. Our payment system has been utilized for illegal, improper and fraudulent uses in the past and we cannot guarantee that our policies, procedures and internal controls, or insurance, would adequately protect our business, maintain our continued ability to operate in the jurisdictions that we serve, or our reputation, especially if such illegal, improper or fraudulent activities were discovered to have taken place on our platform in the future. Our fraud loss expenses may increase if our fraud systems lose effectiveness or if new methods or schemes are developed to defraud us. Since the methods and schemes utilized by perpetrators of fraud are constantly evolving or, in some cases, not immediately detectable, we cannot assure you that our policies, procedures and controls for managing fraud will be effective over time or of our ability to update these measures to address emerging fraud risks. In addition, if illicit or fraudulent activity levels involving our services were to rise, it could lead to regulatory intervention and reputational and financial damage to us. This, in turn, could lead to government enforcement actions and investigations, a suspension or termination of our operating licenses, a reduction in the use and acceptance of our services, or an increase in our compliance costs, any of which may harm our business, financial condition, and operating results. On the other hand, if the measures we have taken to detect illegal, improper or fraudulent activities are too restrictive and / or inadvertently prevent or delay proper transactions, this could result in suspension of legitimate customer activity on our payment system, deter new and existing customers or otherwise diminish our customer experience, any of 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 may 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. ~~We may be exposed to litigation related to the Sale Transaction on February 27, 2020 from the holders of our common stock. Transactions such as the Sale Transaction are often subject to lawsuits by stockholders. Particularly because the holders of our common stock will not receive any consideration from the Sale Transaction, it is possible that they may sue the Company or the Board of Directors. Such lawsuits could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.~~ 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 **2012-COVID-19**, China’s economic growth has slowed down. ~~Any~~ **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. ~~On November 14, 2021, CAC published the Administration Measures for Cyber Data Security (Draft for Public Comments), or the “ Cyber Data Security Measure (Draft)”, which requires cyberspace operators with personal information of more than 1 million users who want to list abroad to file a cybersecurity review with the Office of Cybersecurity Review.~~ 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 reevaluation 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. **Most All** of our present officers and directors reside outside of the United States, **other than Mingjie Zhao**. In addition, **most-all** of our subsidiaries and assets are located outside of the United States. Therefore, it may be difficult for investors in the United States to enforce their legal rights based on the civil liability provisions of the U. S. securities laws against us in the courts of either the United States or the Hong Kong / PRC and, even if civil judgments are obtained in courts of the United States, to enforce such judgments in the PRC or Hong Kong courts. Further, it is unclear if extradition treaties now in effect between the United States, Hong Kong and the PRC would permit effective enforcement against us or our officers and directors of criminal penalties under the U. S. Federal securities laws or otherwise. It may also be difficult for you or overseas regulators to conduct investigations or collect evidence within China. For example, in China, there are significant legal and other obstacles to obtaining information needed for shareholder investigations or litigation outside China or otherwise with respect to foreign entities. Although the authorities in China may establish a regulatory cooperation mechanism with its counterparts of another country or region to monitor and oversee cross-border securities activities, such regulatory cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or "Article 177," which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Article 177 further provides that Chinese entities and individuals are not allowed to provide documents or materials related to securities business activities to foreign agencies without prior consent from the securities regulatory authority of the PRC State Council and the competent departments of the PRC State Council. While detailed interpretation of or implementing rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests. The filing with the China Securities Regulatory Commission ("CSRC") is required in connection with any offering under New Overseas Listing Rules, and we cannot assure you that we will be able to timely make such filing, in which case we may face sanctions by the CSRC or other PRC regulatory agencies for failure to timely file with the CSRC for this offering. On February 17, 2023, the CSRC released the New Overseas Listing Rules, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with relevant CSRC and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition (s), share swap, transfer of shares or other means. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already

obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 are considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The New Overseas Listing Rules stipulate the legal consequences to the companies for breaches, including failure to fulfill filing obligations or filing documents having false statement or misleading information or material omissions, which may result in a fine ranging from RMB1 million to RMB10 million, and in cases of severe violations, the relevant responsible persons may also be barred from entering the securities market. Our PRC counsel has advised us based on their understanding of the current PRC laws, rules and regulations relating to the CSRC's filing requirements, we are required to carry out filing procedures as required if we conduct any overseas offerings or offerings within other circumstances under rules with the CSRC. The Company is still processing the filings with CSRC for its offerings since the effective of New Overseas Listing Rules and has not complied the filing requirements yet which would subject the Company to fines and other penalties for violation of New Overseas Listing Rules. Given the current PRC regulatory environment, it is uncertain when and whether we and our PRC subsidiaries will be required to obtain other permissions or approvals from the PRC government to list on U. S. exchanges in the future, and even if and when such permissions or approvals are obtained, whether they will be denied or rescinded. If we or any of our PRC subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we or our subsidiaries are required to obtain such permissions or approvals in the future, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless. The Holding Foreign Companies Accountable Act, or the HFCA Act, and the related regulations are evolving quickly. Further implementations and interpretations of or amendments to the HFCA Act or the related regulations, or a PCAOB's determination of its lack of sufficient access to inspect our auditor, might pose regulatory risks to and impose restrictions on us because of our operations in mainland China and Hong Kong. A potential consequence is that our shares of common stock may be delisted by the exchange. The delisting of our common stock, or the threat of our common stock being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct full inspections of our auditor deprives our investors of the benefits of such inspections. The Holding Foreign Companies Accountable Act, or the HFCA Act, was enacted on December 18, 2020. In accordance with the HFCA Act, trading in securities of any registrant on a national securities exchange or in the over-the-counter trading market in the United States may be prohibited if the PCAOB determines that it cannot inspect or fully investigate the registrant's auditor for three consecutive years beginning in 2021, and, as a result, an exchange may determine to delist the securities of such registrant. On June 22, 2021, the U. S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which, would amend the HFCA Act and require the SEC to prohibit an issuer's securities from trading on any U. S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three, thus reducing the time period before our securities may be prohibited from trading or delisted if our auditor is unable to meet the PCAOB inspection requirement. On December 29, 2022, a legislation entitled "Consolidated Appropriations Act, 2023" (the "Consolidated Appropriations Act"), was signed into law by President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to Accelerating Holding Foreign Companies Accountable Act, which reduces the number of consecutive non-inspection years required for triggering the prohibitions under the HFCA Act from three years to two. On November 5, 2021, the SEC adopted the PCAOB rule to implement HFCA Act, which provides a framework for the PCAOB to determine whether it is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 2, 2021, SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act. The rules apply to registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate (the "Commission-Identified Issuers"). A Commission-Identified Issuer will be required to comply with the submission and disclosure requirements in the annual report for each year in which it was identified. If a registrant is identified as a Commission-Identified Issuer based on its annual report for the fiscal year ended December 31, 2021, the registrant will be required to comply with the submission or disclosure requirements in its annual report filing covering the fiscal year ended December 31, 2022. On December 16, 2021, the PCAOB issued its determinations (the "Determination") that they are unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong. The Determination includes lists of public accounting firms headquartered in mainland China and Hong Kong that the PCAOB is unable to inspect or investigate completely. On August 26, 2022, the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission and the Ministry of Finance of the People's Republic of China governing inspections and investigations of audit firms based in China and Hong Kong. On December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB Board will consider the need to issue a new determination. The enactment of the HFCA Act and related regulations and any additional actions, proceedings, or new rules resulting from these efforts to increase U. S. regulatory access to audit information could cause investors uncertainty for affected issuers and the market price of our ordinary shares could be adversely affected, and we could be delisted if our auditor is unable to meet the PCAOB inspection requirement. The lack of

access to PCAOB inspections prevents the PCAOB from fully evaluating audits and quality control procedures of the auditors based in China and Hong Kong. As a result, investors may be deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China and Hong Kong makes it more difficult to evaluate the effectiveness of these accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. Our auditor, Fortune CPA Inc., an independent registered public accounting firm that is headquartered in California, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts inspections to assess its compliance with the applicable professional standards. Our auditor is currently subject to PCAOB inspections and is not included in the PCAOB Determinations. Although we believe that the Holding Foreign Companies Accountable Act and the related regulations do not currently affect us, we cannot assure you that there will not be any further implementations and interpretations of or amendments to the Holding Foreign Companies Accountable Act or the related regulations, which might pose regulatory risks to and impose restrictions on us because of our operations in China and Hong Kong. A potential consequence is that our shares may be delisted by the exchange on which they are listed. If our securities are unable to be listed on another securities exchange, such a delisting would substantially impair your ability to sell or purchase our securities when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the market price of our shares. We are authorized to issue blank check preferred stock, which may be issued without shareholder approval and which may adversely affect the rights of holders of our Common Stock. We are authorized to issue 10,000,000 shares of preferred stock. The Board is authorized under our articles of incorporation, as amended, to provide for the issuance of shares of preferred stock by resolution and by filing a certificate of designations under Florida law, to fix the designation, powers, preferences and rights of the shares of each such series of preferred stock and the qualifications, limitations or restrictions thereof without any further vote or action by the shareholders. As of December 31, 2023, there were no shares of preferred stock issued and outstanding. Any shares of preferred stock that are issued are likely to have priority over our Common Stock with respect to dividend or liquidation rights. In the event of issuance, the preferred stock could be utilized under certain circumstances as a method of discouraging, delaying or preventing a change in control, which could have the effect of discouraging bids to acquire us and thereby prevent shareholders from receiving the maximum value for their shares. We have no present intention to issue any shares of preferred stock in order to discourage or delay a change of control or for any other reason. However, there can be no assurance that preferred stock will not be issued at some time in the future. Zeyao Xue has control over key decision making as a result of his control of a substantial amount of our voting stock. Mr. Zeyao Xue, ~~the son of our president,~~ indirectly and directly beneficially owns ~~3,385,287,652,850~~ shares, or approximately ~~18.12~~ ~~3.6~~%, of our outstanding common stock as of April ~~11, 2024~~ ~~2025~~. Mr. Zeyao Xue's beneficial ownership of ~~18.12~~ ~~3.6~~% of Future FinTech's issued and outstanding common stock will likely give him the ability to control the outcome of matters submitted to shareholders for approval, including but not limited to the election of directors and any merger, consolidation, or sale of all or substantially all of the Company's assets. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of the Company's assets that other shareholders support, or conversely this concentrated control could result in the consummation of such a transaction that other shareholders do not support. This concentrated control could also discourage a potential investor from acquiring the common stock of the Company due to the limited voting power of such shares. As a shareholder, even a controlling shareholder, Mr. Zeyao Xue is entitled to vote his shares, and shares over which he has voting control, in his own interests, which may not always be in the interests of our shareholders generally. Anti-takeover provisions in our charter documents and under Florida law could discourage, delay or prevent a change in control of our Company and may affect the trading price of our Common Stock. As a Florida corporation, we are subject to certain provisions of the Florida Business Corporation Act that have anti-takeover effects and may inhibit a non-negotiated merger or other business combination. Our Articles of Incorporation and Bylaws also contain other provisions which could have anti-takeover effects. These provisions include, without limitation, the authority of our Board of Directors to issue additional shares of preferred stock and to fix the relative rights and preferences of the preferred stock without the need for any shareholder vote or approval, as discussed above, and advance notice procedures to be complied with by our shareholders in order to make shareholder proposals or nominate directors, such as: • authorize the issuance of "blank check" preferred stock that could be issued by the Board to thwart a takeover attempt; • require that directors only be removed from office upon a majority shareholder vote; • provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office; • limit who may call special meetings of shareholders; and For more information regarding these and other provisions, see the exhibit titled "Description of Our Securities — Anti-Takeover Effects of Certain Provisions of Florida Law." In recent years, our Common Stock has been in danger of being delisted from the NASDAQ Stock Market ("NASDAQ"). Our common stock is currently listed on the Nasdaq Capital Market. The NASDAQ Stock Market LLC has requirements that a company must meet in order to remain listed on NASDAQ, for example, NASDAQ rules require us to maintain a minimum bid price of \$ 1.00 per share of our common stock. We may be unable to meet NASDAQ listing requirements, including minimum bid price, minimum levels of stockholders' equity or market values of our common stock in which case, our common stock could be delisted. If our common stock were to be delisted, the liquidity of our common stock would be materially adversely affected and the market price of our common stock could decrease. On ~~February 28~~ ~~May 13, 2019~~ ~~2024~~, the Company received a letter from NASDAQ notifying the ~~Nasdaq~~ 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 met the minimum bid price requirement for continued listing on NASDAQ under NASDAQ Marketplace Rule 5550 (a) (2). On May 7, 2019, the Company received a written notification from the NASDAQ Stock Market Listing Qualifications Staff indicating that the Company has regained compliance with the \$ 1.00 minimum closing bid price requirement and that the matter is now closed. On April 17, 2019, the Company received a notification letter from NASDAQ stating the Company was not in

compliance with NASDAQ Listing Rule 5250(e)(1), due to its failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2018 (the “**Nasdaq 2018 10-K**”). On May 21, 2019, the Company received a notification letter from NASDAQ stating the Company was not in compliance with NASDAQ Listing Rule 5250(e)(1), due to its failure to timely file its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019. On August 20, 2019, the Company received a notification letter from the NASDAQ stating the Company was not in compliance with NASDAQ Listing Rule 5250(e)(1), due to its failure to timely file its Quarterly Report on Form 10-Q for the quarter ended June 30, 2019. On October 16, 2019, the Company received a letter from the NASDAQ notifying the Company that it has regained compliance with NASDAQ’s periodic filing requirements for continued listing on the Nasdaq Capital Market. The letter noted that as a result of the September 3, 2019 filing of the Form 10-K for the year ended on December 31, 2018 and the September 30, 2019 filing of the Forms 10-Q for the periods ended March 31, and June 30, 2019 with the Securities and Exchange Commission, the Company has regained compliance with Listing Rule 5250(e)(1) and the matter is now closed. On September 4, 2019, the Company received written notice from the NASDAQ stating that the Company did not meet the requirement of maintaining a minimum of \$ 2,500,000 in stockholders’ equity for continued listing on the NASDAQ Capital Market, as set forth in NASDAQ Listing Rule 5550(b)(1), the Company also does not meet the alternative of market value of listed securities of \$ 35 million under NASDAQ Listing Rule 5550(b)(2) or net income from continuing operations of \$ 500,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years under NASDAQ Listing Rule 5550(b)(3), and the Company is no longer in compliance with the NASDAQ Listing Rules. On March 18, 2020, the Company received written notice from NASDAQ stating that the Company complies with the Listing Rule 5550(b)(1). On November 4, 2019, the Company received a letter from the 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. On April 14, 2020, the Company received a written notification from the Nasdaq indicating that the Company has regained compliance with the \$ 1.00 minimum closing bid price requirement and that the matter is now closed. On March 1, 2022, 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 ~~August 29~~ **November 11, 2022-2024** (the “Compliance Period”), to regain compliance with the Minimum Bid Price Requirement. On ~~August 30~~ **November 12, 2022-2024**, 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 ~~February 27~~ **May 12, 2023-2025**, 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 ~~January 26~~ **April 1, 2023-2025**, 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-~~5-10~~ reverse stock split of the Company’s authorized shares of common stock from ~~300-60~~, 000, 000 shares to ~~60-6~~, 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 ~~February 1~~ **April 4, 2023-2025**. On February 15, 2023, the Company received a written notification from the NASDAQ Stock Market Listing Qualifications Staff indicating that the Company has regained compliance with the \$ 1.00 minimum closing bid price requirement for continued listing on the NASDAQ Capital Market pursuant to NASDAQ Listing Rule 5550(a)(2) and that the matter is now closed.