

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

FORM 20-F

(Mark One)

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

OR

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from _____ to _____

OR

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

Date of event requiring this shell company report _____

Commission File Number: 001-41972

BitFuFu Inc.

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

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Suntec Tower 2, #13-01
Singapore 038989

(Address of Principal Executive Offices)

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(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Class A ordinary shares, par value US\$0.0001 per share	FUFU	Nasdaq Capital Market (The Nasdaq Stock Market LLC)
Warrants, each exercisable for three fourths (3/4) of Class A ordinary share	FUFUW	Nasdaq Capital Market (The Nasdaq Stock Market LLC)

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

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

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

As of December 31, 2024, there were 163,106,615 ordinary shares issued and outstanding, being the sum of (i) 28,106,615 Class A ordinary shares and (ii) 135,000,000 Class B ordinary shares.

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒ X

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	X	Non-accelerated filer	<input type="checkbox"/>
				Emerging growth company	X

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

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

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

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

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

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

U.S. GAAP	X	International Financial Reporting Standards as issued by the International Accounting Standards Board	<input type="checkbox"/>	Other	<input type="checkbox"/>
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If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No X

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

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

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CERTAIN TERMS AND CONVENTIONS

Except as otherwise indicated or required by context, references in this annual report on Form 20-F for the fiscal year ended December 31, 2024 (the "Report") to "we," "us," "our," "our company" and "the Company" are to BitFuFu Inc., a Cayman Islands exempted company with limited liabilities and its subsidiaries.

- References to "Amended and Restated Memorandum and Articles of Association" are to our Amended and Restated Memorandum and Articles of Association adopted by a special resolution of the Company passed on February 29, 2024 (as may be amended from time to time);
- References to "Arisz" are to Arisz Acquisition Corp.;
- References to "Arisz Common Stock" are to common stock of Arisz;
- References to "Arisz Rights" are to rights of Arisz, each right entitling the holder thereof to receive one-twentieth (1/20) of one share of Arisz Common Stock upon the consummation of an initial business combination of Arisz;
- References to "Arisz Warrants" are to redeemable warrants of Arisz, each entitling the holder thereof to purchase three-fourths (3/4) of one share of Arisz Common Stock at a price of US\$11.50 per whole common stock, subject to adjustment;
- References to "Bitmain" are to Bitmain Technologies Ltd., a world-leading cryptocurrency mining hardware manufacturer and a related party to a shareholder of the Company;
- References to "BTC," "ETH," "BCH" and "USDT" are to Bitcoin, Ethereum, Bitcoin Cash and Tether, respectively;
- References to "Business Combination" are to the transaction contemplated under the Merger Agreement, including but not limited to (i) the merger of Arisz with and into the Company (the "Redomestication Merger"), with the Company surviving the Redomestication Merger as a publicly traded entity (the time at which the Redomestication Merger became effective is the "Redomestication Merger Effective Time"); and (ii) Merger Sub merged with and into Finfront (the "Acquisition Merger"), with Finfront surviving the Acquisition Merger as a wholly owned subsidiary of the Company;
- References to "Chardan" are to Chardan Capital Markets, LLC;
- References to "China" or "mainland China" are to the People's Republic of China, excluding, for the purpose of this Report only, Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region;
- References to "Class A ordinary shares" are to the Class A ordinary shares of BitFuFu Inc., par value US\$0.0001 per share;
- References to "Class B ordinary shares" are to the Class B ordinary shares of BitFuFu Inc., par value US\$0.0001 per share;
- References to "Closing" are to the closing of the Business Combination, which occurred on February 29, 2024;
- References to "Companies Act" are to Cayman Islands Companies Act (2025 Revision), as amended;
- References to "ET" or "Ethereal Singapore" are to Ethereal Tech Pte. Ltd., a subsidiary of BitFuFu Inc., which was incorporated under the laws of Singapore;
- References to "Ethereal US" are to Ethereal Tech US Corporation, a subsidiary of BitFuFu Inc., which was incorporated under Delaware law;

- References to "Exchange Act" are to the Securities Exchange Act of 1934, as amended;
- References to "Finfront" are to Finfront Holding Company, a wholly owned subsidiary of the Company;
- References to "hash calculation" are to solving cryptographic hash functions on specific blockchain;
- References to "hash rate" are to the amount of hash calculations that could be processed per second;
- References to "Investment Company Act" are to the Investment Company Act of 1940, as amended;
- References to "JOBS Act" are to Jumpstart Our Business Startups Act;
- References to "Merger Agreement" are to the agreement and plan of merger, dated as of January 21, 2022 (as amended as of April 4, 2022, October 10, 2022, April 24, 2023 and July 28, 2023), by and between Arisz and Finfront, as supplemented by the joinder agreement by and among the Company, Finfront, Merger Sub and Arisz, dated April 4, 2022 and the supplemental joinder agreement by and among the Company, Finfront, Merger Sub and Arisz, dated December 20, 2023;
- References to "Merger Sub" are to Boundary Holding Company;
- References to "Nasdaq" are to The Nasdaq Stock Market LLC;
- References to "ordinary shares" are to the Class A ordinary shares and Class B ordinary shares of BitFuFu Inc.;
- References to "PIPE" are to private investment in public equity;

- References to "PIPE Shares" are to the Class A ordinary shares issued to the accredited investors (the "Subscribers") in the PIPE;
- References to "SEC" are to the Securities and Exchange Commission;
- References to "Securities Act" are to the Securities Act of 1933, as amended;
- References to "Sponsor" are to Arisz Investments LLC, a Delaware limited liability company affiliated with Arisz's chairman and chief executive officer;
- References to "U.S. dollars," "\$," or "US\$" are to the legal currency of the United States;
- References to "U.S. GAAP" or "GAAP" are to accounting principles generally accepted in the United States;
- References to "Unit Purchase Option" are to the option, dated November 17, 2021, issued to Chardan, for \$100.00, to purchase up to 115,000 units (the "Option Units") exercisable at \$11.50 per unit commencing on the closing of a Business Combination. The Unit Purchase Option may be exercised for cash or on a cashless basis, at the holder's option. Each Option Unit, upon issuance, contains one Class A Ordinary Share, one Warrant and one right, which upon automatic conversion entitles the holder thereof to receive one-twentieth (1/20) of one Class A Ordinary Shares; and
- References to "Warrant" are to the warrants of the Company, each entitling its holder thereof to purchase three fourths (3/4) of one Class A ordinary share at an exercise price of US\$11.50 per whole share, subject to adjustment.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Report, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements include, without limitation, our expectations concerning the outlook for our business, productivity, plans and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, as well as any information concerning our possible or assumed future results of operations as set forth in this Report. Forward-looking statements also include statements regarding the expected benefits of the Business Combination.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those projected or implied in those statements. Important factors that could cause such differences include, but are not limited to:

- expectations regarding our strategies and future financial performance, including our future business plans or objectives, prospective performance and opportunities and competitors, revenues, customer acquisition and retention, products and services, pricing, marketing plans, operating expenses, market trends and acceptance, liquidity, cash flows and uses of cash, capital expenditures, and our ability to invest in growth initiatives and pursue acquisition opportunities;
- price fluctuations of digital assets, in particular that of Bitcoin;
- anticipated trends, growth rates, and challenges in the digital assets industry in general and the markets in which we operate;
- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business in Singapore, the United States and other international markets;
- the outcome of any legal proceedings that may be instituted against us and others;
- the ability to recognize the anticipated benefits of the Business Combination;
- our management and board composition;
- our ability to maintain listing status on Nasdaq;
- our ability to innovate, develop and provide services and products that meet the expectations of our customers;
- the possibility that we may be adversely affected by other economic, business, and/or competitive factors;
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on our resources; and
- the other matters described in the section titled "Item 3. Key Information—D. Risk Factors."

We caution you against placing undue reliance on forward-looking statements, which reflect current beliefs and are based on information currently available to us as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this Report. We do not undertake any obligation to revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear, in our public filings with the SEC, which are accessible at www.sec.gov, and which you are advised to consult.

Market, ranking and industry data used throughout this Report, including statements regarding market size, is based on independent industry surveys and publications. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding the industry data presented herein, such estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Item 3. Key Information—D. Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in this Report.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION**A. [Reserved]****B. Capitalization and Indebtedness**

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business and our industry are subject to significant risks. You should carefully consider all of the information set forth in this Report and in our other filings with the SEC, including the following risk factors, in evaluating our business. Any of the following risks or any additional risks not presently known to us or that we currently deem immaterial may materially and adversely affect our business, financial condition, results of operations, and growth prospects. In that event, the trading price of our securities could decline, and you could lose all or portion of your investment. This Report also contains forward-looking statements that involve risks and uncertainties. See the section entitled "Cautionary Note Regarding Forward-Looking Statements."

Summary of Risk Factors***Risks Related to Our Business***

Risks and uncertainties relating to our business include, but are not limited to, the following:

- our limited operating history and rapid growth making it difficult to evaluate our business and prospects;
- our ability to innovate and provide services and products that meet the expectations of our customers;
- price fluctuations of digital assets, in particular that of Bitcoin;
- our ability to compete effectively against current and future competitors;
- our reliance on a limited number of suppliers to provide us with digital asset mining equipment, hosting facilities, and other products or services critical to our business;
- our customer concentration; and
- risks related to power supply, including increases in power costs and power outage.

Risks Related to Our Operations

Risks and uncertainties relating to our operations include, but are not limited to, the following:

- security breaches, threats and attacks affecting us or the digital asset industry;
- system failure or other service disruptions of our system;
- our ability to maintain relevant licenses and permits;
- our reliance on third-party service providers to safeguard and manage certain digital assets;
- risks related to loss of digital assets;
- involvement in legal or other disputes;
- risks related to prepayments and deposits to suppliers and account receivables from customers; and
- uncertainties with respect to the accounting treatment of digital assets.

Risks Related to Our Industry

Risks and uncertainties relating to our industry include, but are not limited to, the following:

- adverse changes in the regulatory and policy environment of digital assets and relevant industry players in multiple jurisdictions;
- concerns about greenhouse gas emissions, global climate change and other ESG issues;

- changes to the method of validating blockchain transactions;
- increase in mining difficulty and reduced economic returns of digital asset mining activities;
- reduced demand for blockchain technology, blockchain networks and digital assets; and
- fraud, hacking or other adverse events to the digital asset networks.

Risks Related to the Regulatory Framework

Risks and uncertainties relating to the regulatory framework include, but are not limited to, the following:

- current and future legislation imposing greater restrictions on the digital assets;
- determination of us as an investment company under the Investment Company Act and relevant regulatory requirements;
- requirement to register as money services business or similar compliance requirements;
- a digital asset's being determined as a "security" under relevant laws, and the related registration and other compliance requirements; and
- difficulties in securing relationship with financial institutions due to our operations in the digital asset industry.

Risks Related to Our Securities

Risks and uncertainties relating to our securities include, but are not limited to, the following:

- uncertainty in the development of an active trading market for our shares;
- price volatility of our shares;

- sale or availability for sale of substantial amounts of our shares;
- potential additional dilution resulted from the exercise of warrants;
- warrant may expire worthless, as they may never be in the money;
- potential dilution for existing shareholders upon our issuance of additional shares;
- potential treatment of our company as a passive foreign investment company;
- our dual-class structure and impact on relevant shareholders' ability to influence corporate matters;
- our Amended and Restated Memorandum and Articles of Association and Cayman Islands law may have the effect of discouraging lawsuits against our directors and officers;
- anti-takeover provisions contained in our Amended and Restated Memorandum and Articles of Association, as well as provisions of Cayman Islands law, could impair a takeover attempt;
- exemptions from requirements applicable to other public companies due to our status as an emerging growth company;
- difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions against us or our management named in this Report based on foreign laws;
- ability to maintain the listing of our securities on Nasdaq in the future; and
- exemptions from certain corporate governance requirement under the Corporate Governance Rules of Nasdaq due to our status as a "controlled company."

Risks Related to Our Business

Our limited operating history and rapid growth may make it difficult to evaluate our business and prospects, and our historical results may not be indicative of our future performance.

We have a short operating history and have experienced rapid growth in terms of revenue, number of customers and total cloud-mining capacity, or the capacity to provide hash calculations, since our establishment in December 2020. In particular, our revenues increased from US\$198.2 million in 2022 to US\$284.1 million in 2023, and further to US\$463.3 million in 2024. Because of our limited operating history and historical data, as well as the limited visibility into future demand trends, our limited operating history and rapid growth may not be indicative of our future performance, and we may not be able to accurately forecast our future performance and growth potentials and budget our costs and operating expenses accordingly.

Our business may be affected by the rapidly evolving the digital asset industry, in particular the fluctuation of Bitcoin price, and the changes in demand or order patterns for our services and products as a result. We may not be able to accurately forecast the longer-term development of the digital assets industry, and as result, may experience fluctuations in orders in the future. Our limited historical results of operations could make it difficult to assess the impact of seasonal factors on our business. If we are unable to increase our access to mining capacities and hosting capacities to meet any increases in demand due to seasonality or other factors, our total revenue and profitability and our reputation among customers would be materially and adversely affected.

If we fail to continually innovate and to provide services and products that meet the expectations of our customers, we may not be able to attract new customers or retain existing customers, and hence our business and results of operations may be adversely affected.

The industries in which we operate and intend to operate in the future are characterized by constant changes, including rapid technological evolution, continual shifts in customer demands, frequent introductions of new services, products and solutions, and constant emergence of new industry standards and practices. Our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner, which requires us to anticipate the emergence of new technologies and assess their market acceptance.

Research and development activities are inherently uncertain, and it may be difficult to commercialize the research and development results, which could result in excessive expenses or delays. Given the fast pace with which blockchain has been and will continue to be developed, we and our business partners may not be able to timely upgrade technologies in an efficient and cost-effective manner, or at all. In addition, new developments in blockchain and digital assets could render our services and products obsolete or unattractive. If we are unable to keep up with the technological developments and anticipate market trends, or if new technologies render our technologies, services and products obsolete, customers may no longer be attracted to our offerings. As a result, our business, results of operations and financial condition would be materially and adversely affected.

Our results of operations may be significantly impacted by digital asset price fluctuations, and our business, results of operations and financial condition could be materially and adversely affected by a significant drop in the prices of digital assets and Bitcoin in particular.

The demand for, and pricing of, our services and products are determined primarily by the expected economic return of digital asset mining activities, in particular those of Bitcoin, which in turn is significantly affected by expectations with respect to their prices, among other factors. The price of Bitcoin has experienced significant fluctuations over its short existence and may continue to fluctuate significantly in the future. For example, the price of Bitcoin ranged from approximately US\$16,000 to approximately US\$46,000 in 2022, from approximately US\$17,000 to approximately US\$44,000 in 2023, and from approximately US\$42,000 to approximately US\$106,500 in 2024, and have continued to experience significant volatility since then, reaching approximately US\$81,600 as of March 31, 2025, according to Google Finance. In 2022 and 2023, a number of companies in the digital asset industry have declared bankruptcy, including Core Scientific, Celsius, Voyager Digital, Three Arrows Capital, BlockFi, FTX, and Genesis Holdco. Those bankruptcy proceedings contributed, at least in part, to further price decreases in Bitcoin observed during those periods, and a loss of investor confidence in the digital asset industry, which in turn may materially and adversely affect the demand of our cloud-mining services and mining equipment, as well as the profitability of our self-mining business.

Given the volatility of the price of digital assets, we cannot assure you that the price of Bitcoin or other digital assets will remain high enough to sustain the demand for our services and products or that their prices will not decline significantly in the future. Various factors, mostly beyond our control, could impact the prices of digital assets, including:

- the limited use of digital assets as payment currencies, as compared with fiat currencies;
- government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operations of digital asset transactions;
- changes in consumer demographics and market trends;
- the maintenance and development of open-source software protocols or similar digital asset systems;
- the availability and popularity of other forms of payment methods, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer perception of digital assets, in particular Bitcoin.

If the price of digital assets or network transaction fees drop, the expected economic return of mining activities will diminish, resulting in a decrease in demand for our services and products. We may need to adjust our pricing strategy to respond to changes in market demand. The future of digital assets and their prices are subject to a high degree of uncertainty. If transaction fees become too high, users may be discouraged from using digital assets, which will decrease the transaction volume of the digital asset network. In addition, any power shortage due to government control measures or other reasons, or increase in energy costs, would raise the mining costs. These instances could affect our customers' expected economic return for mining activities, which in turn, would adversely affect the demand for and pricing of our services and products.

Furthermore, fluctuations in the price of digital assets may affect the value of our fixed assets or inventories, which primarily consist of Bitcoin miners, as well as the provision we make to the inventory as we manage inventory level based on, among others, forecasts for sales and service provisions. As we may increase our procurement volume for the launch of new services or products or due to expected surge of demand, a significant drop in the price of digital assets can lead to a lower expected sales price and excessive inventories, which in turn will lead to impairment losses with respect to such inventories. A significant drop in the price of digital assets may also subject us to impairment loss for digital assets held for our own account. For example, we recorded impairment losses on digital assets of US\$12.9 million, US\$7.0 million, and nil in 2022, 2023, and 2024, respectively, when the price of Bitcoin declined significantly against its carrying value. As of January 1, 2024, we have early adopted fair value measurement in accordance with ASU 2023-08, resulting in a fair value gain of US\$37.6 million recorded in 2024. As a result, any future significant reductions in the price of Bitcoin and other digital assets will likely have a material and adverse effect on our results of operations and financial condition.

We hold stablecoins for our business operations, and are subject to the risks associated with stablecoins.

We hold stablecoins, in particular USDT, for our business operations. As of December 31, 2022, 2023 and 2024, the total value of USDT that we held for our own account was approximately US\$55,515, US\$60,860 and US\$4,817,051 respectively. For example, we may receive USDT as payments for our cloud-mining service, and other digital assets such as BTC and ETH received by us as service payments are automatically converted into USDT. Since October 2022, we have begun to convert our USDT into U.S. dollars and deposit them with banking institutions on a timely basis according to our treasury management strategy. See "Item 4. Information on the Company—B. Business Overview—Digital Assets." A stablecoin is a digital asset that seeks to maintain a stable value and is backed by an asset or portfolio of assets, such as fiat currency like the U.S. dollars. There is a risk that the stablecoin issuer does not hold the corresponding asset underlying each stablecoin in circulation and is therefore unable to fulfill one-for-one redemptions. In addition, many stablecoin issuers are unregulated and do not provide transparent disclosure regarding their compliance with applicable licensing and regulatory requirements or the financial institutions that hold the underlying stable assets. Some have also argued that stablecoins may be involved in money laundering. On February 17, 2021, the New York Attorney General entered an agreement with USDT's operators, requiring them to cease any further trading activity with New York persons and pay US\$18.5 million in penalties for false and misleading statements made regarding the assets backing USDT.

Volatility in stablecoins, operational issues with stablecoins (for example, technical issues that prevent settlement), concerns about the sufficiency of any reserves that support stablecoins, or regulatory concerns about stablecoin issuers or intermediaries, such as crypto asset spot markets, that support stablecoins, could also affect, among others, the value, credentials, exchangeability and liquidity of stablecoins. If any of these events affecting stablecoins we hold were to occur, the value of the affected stablecoins we hold could materially decline, and we may not be able to timely convert digital assets into other viable forms, which could materially and adversely affect our results of

operations, financial condition and future prospects.

We may not be able to compete effectively against our current and future competitors, which could have a material adverse effect on our business, financial condition and results of operations.

The digital asset industry is highly innovative, rapidly evolving and characterized by competition, experimentation, frequent introductions of new services and products and uncertain and evolving industry and regulatory requirements. We expect competition to further intensify in the future as existing and new competitors introduce new products or enhance existing services and products. We compete against numerous developers, owners and operators in the blockchain industry worldwide. Some of our current and future competitors may have greater brand recognition, longer operating histories, stronger marketing, technical and financial resources and access to greater and less expensive power than we do. Our current and future competitors may vary in size, service offerings and geographic presence. In addition, many companies in the digital asset industry are consolidating, which could further increase their market shares. If we are unable to compete successfully, or if solidifying our competitive advantages requires us to incur significant costs, our business, financial condition and results of operations could be adversely affected.

We compete with our competitors in multiple aspects, including pricing, service quality and user experience, reputation, relationship with suppliers, power resources, ability to obtain replacement for miners or hosting facilities, technical and software expertise, and financial resources. Some of our competitors may be able to:

- develop superior products or services, gain greater market acceptance and expand their service offerings more efficiently or rapidly;
- adapt to new or emerging technologies and changes in customer requirements more quickly;
- obtain more favorable terms from the suppliers and procure mining equipment, electricity and other supplies in a more cost-efficient manner;
- identify and acquire desirable properties that we are interested in from developers;
- offer services at prices below current market rates or below the prices we currently charge our customers;
- take advantage of acquisition and other opportunities more readily; and
- adopt more aggressive pricing policies and devote greater resources to the promotion, marketing and sales of their services.

In addition, we may face pricing pressure with respect to our services and products. Prices for our services are affected by a variety of factors, including supply and demand conditions and pricing pressures from our competitors. We may be required to lower our prices to remain competitive, which may decrease our profit margins and could have a material adverse effect on our business, financial condition and results of operations.

We rely on a limited number of suppliers to provide us with digital asset mining equipment, hosting facilities, and other products or services critical to our business operations. We may not be able to obtain such supplies at competitive prices during times of high demand, which could have a material adverse effect on our business, financial condition and results of operations.

We rely on a limited number of suppliers to provide us with products and services, including but not limited to miners, hash rates and hosting facilities, at economical prices. For the years ended December 31, 2022, 2023 and 2024, our purchases from top three suppliers accounted for 84%, 83%, and 81% of our total cost of revenue in the same periods, respectively. Particularly, we purchased and leased miners from and gained access to hosting facilities in a number of regions and countries through collaborations with Bitmain, our largest supplier in 2024. In 2022, 2023 and 2024, costs attributed to agreements with Bitmain, as a percentage of our total cost of revenue, was approximately 52%, 61% and 41%, respectively. If we are unable to maintain business relationship with our suppliers such as Bitmain and the other key suppliers, our operations could be disrupted, and our business, financial condition and results of operations would be adversely affected. We may not be unable to obtain miners and hosting services from other suppliers at commercially reasonable term in a timely manner, or at all. Our ability to meet the increasing demand of our services and products and grow our business is dependent, in large part, on the availability of advanced mining equipment and hosting resources offered to us at commercially reasonable prices. The price and availability of such mining equipment fluctuate with the price of Bitcoin or other digital assets. Higher digital asset prices tend to increase the demand for mining equipment and thus increase the cost to acquire or lease such equipment.

In addition, as more companies seek to enter the digital asset mining industry, the demand may outpace supply and create shortages, and we cannot assure you that such key miner suppliers will be able to keep pace with any surge in the demand for mining equipment. These key suppliers may also prioritize the order of our competitors, in which case we may experience difficulties in securing miner supply. Further, as these key suppliers typically can determine the terms of supply agreements, we have limited bargaining power in negotiating the terms of supply agreements or may have little or no recourse in the event a key miner supplier defaults on our delivery commitments. Defects, malfunctions, errors and breakdown of these miners may occur from time to time, and we cannot assure you that we or our suppliers can take remedial measures in a timely manner. Historically, an increase in interest and demand for digital assets has led to a shortage of hosting and transaction processing hardware and increased prices on the market. We may experience difficulty in obtaining new mining equipment to satisfy the demand of our customers, which may have a material adverse impact on the demand for our revenue. If we are not able to obtain a sufficient number of miners at favorable prices, our growth expectations, liquidity, financial condition and results of operations will be materially and adversely affected.

We also rely on Bitmain to provide the miner hosting services under certain hosting service cooperation arrangements, through which Bitmain sources a limited number of hosting facilities to host miners and provide services related to maintenance and technical support, electricity, network and security. These hosting facilities may demand for upward adjustments of their service fees, including electricity cost, which we may not be able to pass on to our customers. We cannot assure you that it can continue to maintain cooperation with these hosting facilities, or the services provided by these parties always meet the level of quality, efficiency and timeliness necessary for us to render satisfactory hosting services to our customers. Such hosting facilities may experience interruption or other incidents from time to time, and may be unable to provide services to us. We may not be able to obtain alternative hosting facility supplies in a time manner and/or at commercially viable terms. If we are unable to effectively address these risks, our ability to serve customers will be affected, and our brand image, reputation and financial performance may be materially and adversely affected.

Our self-mining operations utilize third-party mining pools to receive mining rewards from a given network. Mining pools allow mining participants to combine their hash calculations, which increases the chances of solving a block and receive rewards of a given network. The rewards are distributed by the pool operator, based on our contribution of hash calculations to the pool. We are dependent on the accuracy of mining pool operators to accurately record the total hash calculations provided to the pool for a given Bitcoin or other digital asset mining application in order to assess the proportion of hash calculations contributed by us. While we have internal methods of tracking both our hash calculations provided, the mining pool operator uses its own record-keeping method to determine our effective contribution of hash calculations. We have limited recourse against the mining pool operator if we determine the proportion of the reward pay out by a mining pool operator is incorrect. If we are unable to consistently obtain accurate proportionate rewards from such mining pool operators, we may experience reduced reward for our efforts, which would have an adverse effect on our business and operations.

We have derived a substantial portion of our revenue from sales to a limited number of customers, which may expose us to risks relating to customer concentration.

Our customers include both enterprises and individuals. We have derived a substantial portion of our revenue from sales to a limited number of customers. In 2022, 2023 and 2024, sales to our largest customer accounted for 17%, 15% and 14% of our total revenue in the same periods, respectively. Chainup Technic Limited and its related parties were our largest customer in 2022 and 2023, and Vistra (BVI) Limited was our largest customer in 2024. Additionally, in 2022, 2023 and 2024, sales to our top three customers accounted for 31%, 26% and 31% of our total revenue in the same periods, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of revenue contribution from our major customers to our total revenue will decrease in the future. Dependence on a limited number of major customers to our total revenue exposes us to risks of substantial losses if any of them reduces or ceases business collaboration with us. Specifically, any one of the following events, among others, may cause material fluctuations or declines in our revenue, and have a material and adverse effect on our business, results of operations, financial condition and prospects:

- a decline in the business of one or more of our major customers;
- the decision by one or more of the major customers to shift to our competitors;
- the reduction in the price of our services and products agreed by one or more of our major customers;
- the failure or inability of any of the major customers to make timely payment to us; or
- regulatory development that may negatively affect the business of one or more of our major customers or digital asset mining activities in general.

It may not be possible for us to accurately predict the future demand from our major customers, and it may fail to maintain relationships with these major customers or to do business with them at the same or increased levels. If any of the foregoing were to occur, and we are unable to expand our business with other existing customers or attract new customers in a timely manner or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Mining digital assets requires significant electric power, and the inability to obtain power resources at commercially viable terms could have a material adverse effect on our business, financial condition and results of operations.

Our operations require a significant amount of electric power to power and cool the mining equipment. Power costs represent a significant component underlying our cost of revenue. The amount of power required by us will increase commensurate with the increase in demand for our services and products and mining equipment we operate for ourselves and our customers. Power costs and availability are also vulnerable to seasonality, with increased costs primarily in the summer months. We also face risks of outages and power grid damage as a result of inclement weather, animal incursion, and other events out of our control. We cannot assure you that the facilities hosting our miners will be able to deliver sufficient power to meet the growing needs of our business on commercially reasonable terms. Currently, part of our power costs are covered in our service framework agreement with Bitmain, which may demand for changes to terms of the service framework agreement, including an upward adjustment to the electricity cost. In addition, we may incur additional electricity costs based on specific orders under such framework arrangements, which may include periodic price adjustment mechanism with reference to local electricity price index. We may not be able to pass on such increase in electricity costs to our customers. Failure by our counterparty to perform its obligation under the contract terms may affect our ability to provide services to our customers and disrupt our business operations. Any significant increase in the power costs could have a material adverse effect on our business, financial condition and results of operations.

Power outage may result in disruption of our business.

Our business is vulnerable to disruptions and power outages resulting from weather, animal incursions, accidents, equipment failures, curtailments, acts of war, sabotage and other events. We rely on third-party hosting facility providers to host our miners, and cannot assure you that these hosting facilities have backup power generators to maintain our operations in the event of a power outage. Disruption of our business could impact our ability to generate and maintain the power levels necessary to provide cloud-mining services to customers and mine digital assets for ourselves, which could have a material adverse effect on our business, financial condition and results of operations.

Delays in the expansion of existing facilities or establishment of new facilities, or significant cost overruns could adversely affect our business.

The equipment used for digital asset mining and transaction processing require the use of facilities with a highly specialized infrastructure and considerable and reliable electric power. We expand our business operations by increasing our mining equipment, and expanding cooperation with providers of our existing facilities to gain access to higher mining capacity. We cannot assure you that our hosting facility providers could obtain access to such suitable land to expand hosting capacity, as such suppliers need to work closely with local governments to obtain necessary permits and local power suppliers for power supplies. Delays in actions that require the assistance of such third parties, in receiving required permits and approvals or in mediations with local communities, if any, may negatively impact such hosting facility providers' construction timelines and budget or result in any new facilities not being completed at all. We cannot assure you that we will not experience quality issues in any expansion or upgrades of those facilities. All of these risks could cause us to be unable to run our mining operations in a way that is technologically advanced, economical and energy efficient and temperature controlled, which will adversely affect our business, financial condition and results of operations. If we experience significant delays in the supply of power and facility spaces required to support our expansion, our ability to deliver services and expand operations will be materially and adversely affected.

The average selling prices of our services and products may fluctuate from time to time, which may in turn adversely affect our profitability.

The digital asset industry is characterized by rapid launches of new services and products, continuous technological advancements and changing market trends and customer preferences, all of which may cause fluctuations in the average selling prices of our services and products over time. We may have to significantly lower the average selling prices of our services and products to retain customers. However, such significant decreases in average selling prices may not be offset by a corresponding decrease in the prices of the equipment and properties, and our profitability may be materially and adversely affected.

Increases in hosting costs, power costs other important cost items may cause us to mine digital assets less cost-efficiently, which may reduce our operating and profit margins, and adversely affect our business, financial condition and results of operations.

We incurred cost of revenue of US\$162.0 million, US\$271.4 million and US\$433.6 million in 2022, 2023 and 2024, respectively, and realized a gross profit margin of 18.3%, 4.5% and 6.4% in the same periods, respectively. We achieved a net profit of US\$2.4 million, US\$10.5 million and US\$54.0 million in 2022, 2023 and 2024, respectively. We expect our cost of revenue to continue representing a substantial portion of our total revenue. If we do not manage those costs effectively, our operating and profit margins may be reduced, and our business, financial condition and results of operations may be adversely affected.

We face risks associated with the expansion of our operations globally, and if we are unable to effectively manage these risks, they could impair our ability to expand our business abroad.

As we continue to grow our business and expand our operations globally, we will continue to sell our services and products into new jurisdictions in which we may have limited or no experience and in which our brands may be less recognized. The expansion exposes us to a number of risks, including, but are not limited to:

- high cost of investment to establish a presence in a new market and manage international operations;
- competition from unfamiliar markets, including with competitors who are more dominant and have stronger ties with customers and greater financial and other resources;
- foreign currency exchange rate fluctuations;
- regulatory differences and difficulties in ensuring compliance with multi-national legal requirements and multi-national operations;
- changes in economic, legal, political or other local conditions in new markets;
- our limited customer base and limited sales and relationships with international customers;
- challenges in providing customer services and support in these markets;
- difficulties in and costs of overseas operations while complying with the different commercial, legal and regulatory requirements of the international markets in which we offer our services and products;
- difficulty in ensuring that our customers comply with the sanctions imposed by the Office of Foreign Assets Control in the United States and regulators in other countries and regions, on various foreign states, organizations and individuals;
- inability to obtain, maintain or enforce intellectual property rights;
- inability to effectively enforce contractual or legal rights or intellectual property rights in certain jurisdictions where we operate; and
- governmental policies favoring domestic companies in certain foreign markets or trade barriers including export requirements, tariffs, taxes and other restrictions and charges.

In particular, a worldwide trend in favor of nationalism and protectionist trade policy, as well as other potential international trade disputes could cause turbulence in international markets. These government policies or trade barriers could increase the prices of our products and make us less competitive in such countries. If we are unable to effectively manage these risks, the ability to expand our business abroad will be impaired, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

If we fail to accurately estimate the factors for our contract pricing, we may generate lower profit than expected or incur losses on those contracts, which could have a material adverse effect on our business, financial condition and results of operations.

Our service contracts are generally priced based on various internal and external factors, such as miner costs, the technological contents of our services, costs of hosting miners, market price of digital assets, price of competitors, the expected economic return of digital asset mining, the service and cost recovery model, and the market demand. Our ability to set favorable prices at our desired margins and accurately estimate costs, among other factors, has a significant impact on our profitability. We may be unable to maintain our bargaining power, and our profit margin may be driven down by market conditions or other factors. If we see higher pricing pressure due to intensified competition from other competitors, decrease in prices to our customers in the end market or any other reasons, or if we otherwise lose bargaining power due to weaker demand for our services and products, we may need to reduce our prices and lower our profit margins. Moreover, we may not be able to accurately estimate our costs or pass on all or part of any increase in our costs of miner and hosting facilities, to our customers. As a result, our results of operations and financial condition could be materially and adversely affected.

Our future success depends on our ability to keep pace with rapid technological changes that could make our current or future technologies less competitive or obsolete.

Rapid, significant and disruptive technological changes continue to impact the digital asset industry. Services and products offered by us may become less marketable due to demand for new processes and technologies, including, without limitation: (i) customer demand for miners with higher hash rate or for new types of digital assets; (ii) new processes to deliver power to, or eliminate heat from, miners; (iii) customer demand for additional cloud-mining or hosting capacity; (iv) new technology that permits higher levels of critical load and heat removal than the facilities are currently designed to provide; (v) limited power supply to support new, updated or upgraded technology; and (vi) a shift to more power-efficient transaction validation protocols. In addition, the systems that connect miners managed by us to the internet and other external networks may become insufficient, including with respect to latency, reliability and diversity of connectivity. We may not be able to adapt to changing technologies, identify and implement new alternatives successfully or meet customer demands for new processes or technologies in a timely and cost-effective manner, if at all, which would have a material adverse effect on our business, financial condition and results of operations.

Even if we succeed in adapting to new processes and technologies, there is no assurance that our use of such new processes or technology would have a positive impact on our financial performance. For example, we could incur substantial additional costs if we need to materially improve the miner fleet engaged through the implementation of new systems or new server technologies that require levels of critical load and heat removal that the current or future facilities hosting are not designed to provide. In addition, our new services and products could be superior than our prior services and products, and customers could switch away from our prior services and products that could have higher revenue or better margins for the new services and products. Therefore, the adaptation to new processes and technologies could result in lower revenue, lower margins and/or higher costs, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, our competitors or others might develop technologies that are more effective than our current or future technologies, or that render our technologies less competitive or obsolete. Further, many of our competitors may have superior financial and human resources deployed toward research and development efforts. We may not be able to effectively keep pace with relevant technological changes. If competitors introduce superior technologies, and we cannot make upgrades to our hardware or software to remain competitive, it could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to maintain or enhance our brand recognition, our business, financial condition and results of operations may be materially and adversely affected.

Maintaining and enhancing the recognition, image and acceptance of our brand are important to our ability to differentiate our services from and to compete effectively with our peers. Our brand image, however, could be jeopardized if we fail to maintain high service quality, pioneer and keep pace with evolving technology trends, or timely meet the demand for our services. If we fail to promote our brand or to maintain or enhance our brand recognition and awareness among our customers, or if we are subject to events or negative allegations affecting our brand image or the publicly perceived position of our brand, our business, financial condition and results of operations could be adversely affected.

Our business is capital intensive, and failure to obtain the necessary capital when needed may force us to delay, limit or terminate our expansion efforts or other operations, which could have a material adverse effect on our business, financial condition and results of operations.

The costs of operating, maintaining and owning miners and facilities are substantial. Mining equipment experience ordinary wear and tear from operation and may also face more significant malfunctions caused by factors which may be beyond our control. Additionally, as the technology evolves, we may acquire or utilize newer models of mining equipment to remain competitive in the market. Over time, those mining equipment which are no longer functional also needs to be replaced with new mining equipment.

The upgrading process requires substantial investment, and we may face challenges in doing so on a timely and cost-effective basis based on availability of new mining equipment and our access to adequate capital resources. If we are unable to obtain adequate numbers of new and replacement mining equipment at scale, we may be unable to remain competitive in our highly competitive and evolving industry.

Moreover, we need additional facilities to increase our capacity for more mining equipment. The costs of operating and maintaining facilities and growing our operations may increase in the future, which may make it more difficult for us to expand our business and to operate the facilities while maintaining or improving our profit margin.

We will need to raise additional funds through equity or debt financings in order to meet our operating and capital needs. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. As of December 31, 2024, we had pledged 633 Bitcoins as collateral for our loans or other financing arrangements. A significant and permanent drop in the value of digital assets, in particular Bitcoin, may cause us to lose the ability to do so in the future. In addition, any future disruption in the digital asset industry may destabilize the price of Bitcoin and affect investor confidence in the digital asset industry, which may materially and adversely impair our ability to raise capital in the future. An inability to generate sufficient cash from operations or to obtain additional debt or equity financing would adversely affect our results of operations. Additionally, if this happens, we and our customers may not be able to mine digital assets as efficiently or in similar amounts as our competitors and, as a result, our business and financial condition and results of operations could suffer.

Any failure to meet the necessary quality standards of our services and products could adversely affect our reputation, business and results of operation.

The quality of our services and products is critical to the success of our business and depends significantly on the effectiveness of our and our suppliers' quality control. In our efforts to meet new market trends and adopt new technologies, we and our suppliers may not have adequate time to go through rigorous quality control and assurance procedures, which could result in instances where our services and products cannot reach the required performance standard. These instances could result in our customers suffering losses and harm to their experience and continuous engagement with us. Defects may also result in additional costs for remediation and rework. As a result, our reputation, business and results of operations may be materially and adversely affected.

Any global systemic economic and financial crisis could negatively affect the prices of digital assets, and in turn our business, results of operations, and financial condition.

Any prolonged slowdown in the global economy may have a negative impact on our business, results of operations and financial condition. For example, the global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies have experienced periods of recession. The recovery from the lows of 2008 and 2009 has been uneven and there are new challenges. The global outbreak of COVID-19 had a severe and negative impact on the global economy and financial markets from 2020 through 2022, and the global macroeconomic environment still faces numerous challenges. There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have also been concerns over the significant potential changes to United States trade policies, treaties and tariffs, all of which have resulted in market volatility. Additionally, the Russia-Ukraine conflict, the Hamas-Israel conflict and the attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The impact of the Russia-Ukraine conflict on Ukraine food exports has contributed to increases in food prices and thus to inflation more generally. There were and could be in the future a number of domino effects from such turmoil on our business, including significant decreases in orders from our customers; insolvency of key suppliers resulting in delays or interruptions of key supplies; inability of customers to finance purchases of our services and products and/or customer insolvencies; and other counterparty failures negatively impacting our operations. Any systemic economic or financial crisis could cause revenues for the digital assets industry as a whole to decline dramatically and could materially and adversely affect our business, results of operations and financial condition.

We may engage in acquisitions or strategic alliances in the future that could disrupt our business, result in increased expenses, and reduce our financial resources, and such acquisitions or strategic alliances may not be successfully implemented or generate positive results as expected.

Although we have limited experience in acquisitions or strategic alliances in the past, we may look for potential acquisitions or strategic alliances in the future to expand our business. However, we may not be able to find suitable acquisition candidates, complete acquisitions on favorable terms, if at all, or integrate any acquired business, products or technologies into our operations. If we do complete such acquisitions, they may still be viewed negatively by customers or investors and they may not enable us to strengthen our competitive position or achieve our strategic goals. In addition, any acquisitions that we make could lead to difficulties in integrating personnel, technologies and operations from the acquired businesses and in retaining and motivating key personnel from these businesses. Moreover, acquisitions or strategic alliances may disrupt our ongoing operations, divert management from day-to-day responsibilities and increase our expenses. Future acquisitions or strategic alliances may reduce our cash available for operations and other uses and could result in increases in amortization expenses related to identifiable intangible assets acquired, potentially dilutive issuances of equity securities or the incurrence of debt. We cannot predict the number, timing or size of future acquisitions or strategic alliances, or their successful implementation or the effect that any such might have on our results of operations and financial condition.

Risks Related to Our Operations

We may be vulnerable to security breaches, or be exposed to cybersecurity threats, which could disrupt our operations, subject us to customers' claims, and materially and adversely affect our business, financial condition and results of operations.

We receive, process, store and transmit, often electronically, the data of our customers, much of which is confidential. Unauthorized access to our computer systems or stored data could result in the theft, including cyber-theft, or improper disclosure of confidential information, and the deletion or modification of records could cause interruptions in our operations. These cyber-security risks increase when we transmit information from one location to another, including over the internet or other electronic networks. Despite the security measures we have implemented, our miners, systems and procedures, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, software viruses, misplaced or lost data, programming or human errors or other similar events which may disrupt our delivery of services or expose the confidential information of our customers. Any security breach involving the misappropriation, loss or other unauthorized disclosure or use of confidential information of our customers or

A party who is able to compromise the physical security measures protecting the facilities supporting our operations could cause interruptions or malfunctions in our operations and misappropriate our property or the property of our customers. We may be required to expend significant capital and resources or replace existing hosting facility suppliers to protect against such threats or to alleviate problems caused by breaches in security. As techniques used to breach security change frequently and are often not recognized until launched against a target, we cannot assure you that we or our hosting facility suppliers will be able to implement new security measures in a timely manner or, if and when implemented, these measures would not be circumvented. Any breaches that may occur could expose us to increased risk of lawsuits, regulatory penalties, loss of existing or potential customers, harm to our reputation and increases in security costs, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, any assertions of alleged security breaches or system failures made against us or our hosting facility suppliers, whether true or not, could harm our reputation, cause us to incur substantial legal fees to defend against such claims, or otherwise have a material adverse effect on our business, financial condition and results of operations. Such claims, irrespective of the outcomes or the merits, would likely be time-consuming and costly to defend and could divert significant resources and management attention. We could also incur significant payment of damages or expenses, or otherwise be restricted from operating our business. Any such claim or potential litigation, including the resources incurred in connection therewith, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, security breaches, computer malware and computer hacking attacks have been a prevalent concern in the digital asset exchange market. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm our business operations or result in loss of our assets.

Moreover, the threats to network and data security are increasingly diverse and sophisticated. Despite our efforts and processes to prevent breaches, our computer servers and computer systems may be vulnerable to cybersecurity risks, including denial-of-service attacks, physical or electronic break-ins, employee theft or misuse and similar disruptions from unauthorized tampering with our computer servers and computer systems. The preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber-attack in the future. To the extent that any disruption or security breach results in a loss or damage to our network, in unauthorized disclosure of confidential information or in a loss of our digital assets, it could cause significant damage to our reputation, lead to claims against us and ultimately have a material adverse effect on our business, financial condition and results of operations. Additionally, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

Any failure in our critical systems could lead to disruptions in our businesses and could harm our reputation and result in financial penalty and legal liabilities, which would reduce our revenue and have a material adverse effect on our business, financial condition and results of operations.

The critical systems underlying our services and products could experience failure, such as a breakdown in critical system, equipment or services, routers, switches or other equipment. The facilities hosting our miners could experience power supply or network connectivity issues. Such failure, whether or not within our control, could interrupt our service provision, and adversely affect our customers' operation and cause equipment damage, all of which could significantly disrupt our normal business operations, harm our reputation and reduce our revenue. Any such failure or downtime could impact mining rewards generated by us and reduce the profitability of our customers. The total destruction or severe impairment of any of the facilities we operate could result in significant service downtime and loss of customer data. Since our ability to attract and retain customers depends on our ability to provide highly reliable service, even minor interruptions in our service could harm our reputation and negatively impact our revenue and profitability. The services we provide are subject to failures resulting from numerous factors, including:

- power loss;
- equipment failure;

- human error or accidents;
- theft, sabotage and vandalism;
- failure by us or our suppliers to provide adequate service or maintain the equipment;
- network connectivity downtime and fiber cuts;
- service interruptions resulting from server relocation;
- security breaches;
- improper maintenance;
- physical, electronic and cybersecurity breaches;
- animal incursions;
- fire, earthquake, hurricane, tornado, flood and other natural disasters;
- extreme temperatures;
- water damage;
- public health emergencies; and
- terrorism.

Moreover, service interruptions and equipment failures may expose us to potential legal liability. Any disruption in our services could result in lost profits of or other

indirect or consequential damages to our customers. Although our customer contracts typically contain provisions limiting our liability for breach of such agreements, there can be no assurance that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as the result of a service interruption that they may ascribe to us. The outcome of any such lawsuit would depend on the specific facts of the case and any legal and policy considerations that we may not be able to mitigate. In such cases, we could be liable for substantial damages, which would as a result have a material adverse effect on our business, financial condition and results of operations.

Any failure to obtain or renew any approvals, licenses, permits or certifications necessary to our operations could materially and adversely affect our business, reputation, results of operations and prospects.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications to operate our business. Complying with such laws and regulations may require substantial expense, and any non-compliance may expose us to liability. In the event of non-compliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain all the necessary approvals, licenses, permits and certifications, we may be subject to fines or the suspension of operations at the production facilities and research and development facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business, reputation, results of operations and prospects. See "Item 4. Information on the Company—B. Business Overview—Government Regulation" for further details on the requisite approvals, licenses, permits and certifications necessary for our business operations.

We cannot assure you that we will be able to fulfill all the conditions necessary to obtain the required government approvals, or that relevant government officials will always, if ever, exercise their discretion in our favor, or that we will be able to adapt to any new laws, regulations and policies. There may also be delays on the part of government authorities in reviewing our applications and granting approvals, whether due to the lack of human resources or the imposition of new rules, regulations, government policies or their implementation, interpretation and enforcement. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

We rely on third-party service providers to safeguard and manage certain digital assets. Loss of private keys, security breach and hacking attempts could cause the loss and theft of such digital assets, and materially and adversely impact our business, financial condition and results of operations.

We accumulate Bitcoin mined through our self-mining operations, and will exchange Bitcoin for fiat currencies at established cryptocurrency exchanges, such as Coinbase, to satisfy our working capital needs. We also receive other digital assets, such as BTC, ETH, BCH and USDT, as payments for our cloud-mining service and hosting services. Digital assets that are received as service payments would be automatically converted into USDT. Since October 2022, we have begun to convert USDT into U.S. dollars and deposit them with banking institutions on a timely basis according to our treasury management strategy. Prior to December 2022, we held digital assets pre-paid by customers for their anticipated purchase of services, and temporarily held mining rewards of customers on their behalf if such customers do not have their own digital asset wallets.

Digital assets held for customers are stored at custodial wallets maintained by Coinbase and Cobo Wallet, which protect such digital assets through dual authentication security mechanism. Currently, most of digital assets mined by us are held in cold wallet, which is a physical device that holds digital assets offline and aims to prevent hackers from being able to access digital assets via traditional internet-hacking means. The digital assets temporarily held on customers' behalf and for our own account are not insured or guaranteed by any government or government agency.

Since December 2022, we no longer temporarily held digital assets for our customers. As of December 31, 2024, we held 3.77 Bitcoins and approximately 16,970 USDTs that are to be returned to our customers, excluding 225 Bitcoins pledged by our customers as collateral to secure credit from us. To the extent that customers' digital assets still remain in custodial wallets maintained by Coinbase and Cobo Wallet, we rely on such service providers to safeguard such customers' digital assets. The security measures designed to prevent, detect, and mitigate inappropriate access to these custodial wallets by internal or external threats may not be adequate to protect against loss of digital assets due to theft or security leakage. It is possible that employees or service providers could act contrary to our policies, or others could circumvent security measures of us or our service providers to improperly access our systems or documents, or the systems or documents of our service providers, and improperly access, obtain, or misuse the digital assets that we hold for our customers' account. The methods used to obtain unauthorized access, disable, or degrade service or sabotage systems are also constantly changing and evolving, and may be difficult to anticipate or detect for long periods of time. We also face risks of destruction or loss associated with using offline cold wallet, and may experience difficulties in recovering our digital assets when the associated private keys are lost or leaked. Any security incident resulting in a compromise of our or our customers' digital assets could result in substantial costs to us and require us to notify, and potentially compensate impacted customers. Such incidents could also subject us to litigation, significant financial losses, damage our reputation, and adversely affect our business, financial condition and results of operations.

In addition, we or our customers may temporarily lose access to digital assets as a result of software or systems upgrades or maintenance. In this case, we or our customers would likely rely on third parties to assist in restoring such access, and we cannot provide any assurance that such third parties will be able to restore access on a timely basis, or at all. Any temporary loss for us or our customers could have a material adverse effect on our business, financial condition and results of operations.

Digital asset transactions are irrevocable and, if stolen or incorrectly transferred, digital assets may be irretrievable. Any loss or destruction of a private key required to access a digital asset is also irreversible.

Typically, digital asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the applicable network. Once a transaction has been confirmed and verified in a block that is added to the network blockchain, an incorrect transfer of a digital asset or a theft of a digital asset generally will not be reversible and we and our customers may not be capable of seeking compensation for any such transfer or theft. Although transfers of any digital assets we or our customers hold will regularly be made to or from vendors, consultants, services providers, etc., it is possible that, through computer or human error, or through theft or criminal action, such digital assets could be transferred from them in incorrect amounts or to unauthorized third parties. To the extent that we or our customers are unable to seek a corrective transaction with such third party or are incapable of identifying the third party that has received such digital assets through error or theft, we or our customers will be unable to revert or otherwise recover the incorrectly transferred digital assets. Moreover, reversion or other corrective or recovery methods of such digital assets may also take a significant time and may not result in full recovery of the incorrectly transferred digital assets or sufficient compensation the relevant economic loss. To the extent that we or our customers are unable to seek redress for such error or theft, such loss could have a material adverse effect on our business, financial condition and results of operations.

Digital assets are each accessible and controllable only by the possessor of both the unique public key and private key associated with the digital asset, wherein the public and private keys are held in an offline or online digital wallet. To the extent a private key is lost, destroyed or otherwise compromised and no backup of the private key is available, we or our customers will be unable to access the applicable digital asset associated with that private key and the private key cannot be restored. As a result, any digital assets associated with such key could be irretrievably lost. Any loss of private keys relating to digital wallets used to store the applicable digital assets could have a material adverse effect on our business, financial condition and results of operations.

We deposit certain fund and digital assets with cryptocurrency exchanges. If such cryptocurrency exchanges become bankrupt or otherwise unable to remit stored fund and digital assets, we may lose these assets, and our business, financial condition and results of operations may be adversely affected.

Historically, we deposited certain fund and digital assets with cryptocurrency exchanges that are not banking institutions. For instance, we had deposited cash and digital assets in account maintained at FTX, which filed for bankruptcy in November 2022. The ability of a cryptocurrency exchange to safeguard our fund is dependent on our internal control, operations, liquidity, and financial condition, as well as our proper maintenance, use, and safekeeping of our fund and assets. Any failure by such cryptocurrency exchange to maintain the necessary controls or to manage our digital assets and funds appropriately and in compliance with applicable regulatory requirements could result in loss of our fund. We cannot assure you that we can be adequately compensated by such cryptocurrency exchange in the event that we suffer loss in our fund deposited with it.

Moreover, to the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, several cryptocurrency exchanges have been closed or been sued due to fraud, business failure or security breaches. For instance, in November 2022, FTX Group cryptocurrency exchange, one of the largest cryptocurrency exchanges in the world, filed for voluntary Chapter 11 bankruptcy proceedings in the United States, following reports published just days earlier that FTX was facing liquidity challenges. As of the time of such bankruptcy filing, we deposited US\$2.1 million and 480 units of Bitcoins in our account maintained at FTX. Since the voluntary bankruptcy proceeding of FTX, we have suspended our transactions with FTX. In many of aforementioned instances, the customers of the closed exchanges are not compensated or made whole for the partial or complete losses of their account balances. As a result of the FTX bankruptcy proceeding, we recorded impairment loss on assets held by FTX of US\$9.8 million in 2022 (remeasured using the carrying value of Bitcoin as of December 31, 2022). We did not record any impairment loss on assets held by FTX in 2023 and 2024. In addition, while smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and malware and may be more likely to be targets of regulatory enforcement action. In November 2023, Binance Holdings Limited ("Binance"), the entity that operates the world's largest cryptocurrency exchange, Binance.com, pleaded guilty and agreed to pay over \$4 billion to resolve the U.S. Justice Department's investigation into violations related to the Bank Secrecy Act ("BSA"), failure to register as a money transmitting business, and the International Emergency Economic Powers Act. Binance's founder and chief executive officer also pleaded guilty to failing to maintain an effective anti-money laundering program, in violation of the BSA and resigned as chief executive officer of Binance.

We have been and may continue to be involved in legal and other disputes from time to time arising out of our operations, including disputes with our suppliers, customers, business partners, competitors or employees.

We have been and may continue to be, from time to time, involved in disputes with various parties arising out of our operations, including our suppliers, customers, business partners, competitors or employees. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs and diversion of resources and management's attention from our core business activities.

Ethereal Singapore is named as a defendant in a lawsuit filed on November 6, 2023, in the United States Bankruptcy Court for the District of Delaware, the venue of which has been transferred to the U.S. District Court for the Southern District of New York. The lawsuit relates to an alleged agreement to sell at a discount of Ethereal Singapore's creditor claim against FTX's bankruptcy estate. The plaintiff seeks specific performance by Ethereal Singapore to complete the transfer of the subject claim to the plaintiff or, alternatively, damages in an amount equal to the difference between the alleged purchase prices of the subject claim and the ultimate amounts distributed by the FTX bankruptcy estate on the account of that claim. As discussed elsewhere in this Report, as a result of the FTX bankruptcy proceeding, we recorded 100% impairment loss for the claim of US\$9.8 million in 2022 (remeasured using the carrying value of Bitcoin as of December 31, 2022) on assets, including the underlying assets of this lawsuit's subject claim, held at FTX. As of December 31, 2024, the lawsuit has been discontinued and the matter has been fully settled.

On September 11, 2024, a holder of certain Warrants, or the Warrant Holder, commenced a litigation against the Company in the United States District Court for Southern District of New York, alleging that the Company breached the warrant agreement between Arisz and Continental Stock Transfer & Trust Company by failing to honor the Warrant Holder's attempts on March 4, 2024 to exercise a portion of the Warrants it holds. We dispute the allegations and filed a motion to dismiss on December 18, 2024. That motion is fully briefed and awaiting a decision from the court. We intend to defend the lawsuit vigorously but we cannot predict the outcome at this time due to its early stage.

In addition, we may encounter compliance issues with regulatory bodies in the ordinary course of our business operations, and therefore may face legal or administrative proceedings or other unfavorable consequences that may result in liabilities and cause delays to our service delivery. Such proceedings or disputes could have a material adverse effect on our business, financial condition, results of operations or cash flows.

The facilities from which we provide our services may be located on property whose owner has not obtained the approval of relevant authorities, and we may be ordered to relocate from that property.

The landlord of facilities from which we provide our services may need to obtain approval from the relevant government authorities for the buildings or other sites. If they fail to do so, such property may be considered to be in violation of relevant zoning laws and the government may order the demolition or relocation. If we are evicted from such property, we may need to find alternative properties and relocate to such facilities. Unless we are able to make timely alternative arrangements for relocating, we may not be able to provide the services under our agreements with customers and fulfill our contract obligations, which may have a material and adverse effect on our business, reputation, results of operations and financial condition and incur liabilities.

Our prepayments and deposits to suppliers may subject us to counterparty risk associated with such suppliers and negatively affect our liquidity and cash position.

We are generally required to make prepayment for our hash rate supplies in advance and deposits for miner purchases ahead of delivery in order to secure the desired capacity. As such, we are subject to counterparty risk exposure to our suppliers. Any failure by those suppliers to perform their contractual obligations in a timely manner and/or in accordance with our requested standard, quality or quantity may result in us not being able to fulfill customers' demand accordingly. In such event, we may not be able to receive the refund of prepayments in a timely manner or at all. Furthermore, such prepayments and deposits may put pressure on our operating cash flow conditions and if the cash outflows for the prepayments and deposits significantly exceed the cash inflows during any period, our future liquidity and cash position will also be adversely affected.

If we experience difficulty in collecting our account receivables, our liquidity, financial condition and results of operations would be negatively impacted.

We derive our revenues primarily from the sale of services and products to customers and are subject to customer counterparty risks such as our customer's inability to pay. We cannot assure you that we will be able to collect our account receivables on a timely basis, and our account receivable turnover days may increase, which in turn could materially and adversely affect our liquidity, financial condition and results of operations.

Because there has been limited precedent set for financial accounting for Bitcoin and other digital assets, the determinations that we have made for how to account for digital assets transactions are subject to change.

Because there has been limited precedent set for the financial accounting for Bitcoin and other digital assets and related revenue recognition and limited official guidance has been provided by the Financial Accounting Standards Board or the SEC, it is unclear how companies may in the future be required to account for digital asset transactions and assets and related revenue recognition. A change in regulatory or financial accounting standards could result in the necessity to change the accounting methods we currently intend to employ in respect of our anticipated revenues and assets and restate any financial statements produced based on those methods. Such a restatement could adversely affect our business, prospects, financial condition and results of operation.

We may not be able to adequately protect our intellectual property rights and other proprietary rights, which could have a material adverse effect on business, financial condition and results of operations.

We may not be able to obtain adequate protection for all of our existing and future intellectual property and other proprietary rights in every country in which we operate. Protecting our intellectual property rights and other proprietary rights may require significant financial, managerial and operational resources. Moreover, the steps that we may take to protect our intellectual property and other proprietary rights may not be adequate to protect such rights or prevent third parties from infringing or misappropriating such rights. Any of our intellectual property rights and other proprietary rights, whether registered, unregistered, issued or unissued, may be challenged by others or invalidated through administrative proceedings and/or litigation. In addition, despite our efforts, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. We may initiate claims, administrative proceedings and/or litigation against others for infringement, misappropriation or violation of our intellectual property rights or other proprietary rights to enforce and/or maintain the validity of such rights. Any such action, if initiated, whether or not it is resolved in our favor, could result in significant expense to us, and divert the time and attention of our personnel, which may have a material adverse effect on our business, financial condition and results of operations.

We may face intellectual property infringement claims or other related disputes, which could be time-consuming, costly to defend or settle and result in the loss of significant rights and lower sales.

We may be subject to infringement claims from time to time or otherwise become aware of potentially relevant patents or other IP rights held by other parties that may cover some of our technology, services and products. Patent litigation has increased in recent years owing to increased assertions made by IP licensing entities and increasing competition in our markets. Additionally, we may enter into licensing agreements with third parties for the use of their proprietary technologies, primarily software development tools, in the development of our services and products. As with any business relationship, we may face disputes and lawsuits related to such agreements. As our operations continue to grow in size and scale, the likelihood of becoming involved in IP related lawsuits and disputes to protect or defend our IP rights and the use of third-party IP rights will increase. In addition, it is extremely difficult for us to monitor all of the patent applications that have been filed by others and whether, if such pending patents are granted, such patents would have a material and adverse effect on our business if our product and service offering were to infringe upon them.

Other third parties may file claims against us alleging that our services, products, processes, or technologies infringe third-party patents or IP rights. Regardless of their merits or resolutions, such claims could be costly to defend or settle and could divert the efforts and attention of our management and technical personnel. We do not know whether we could prevail in any such proceeding given the complex technical issues and inherent uncertainties involved in IP litigation. In addition, we may be required to indemnify and defend our customers or other business partners from third-party infringement claims and to pay damages in the case of adverse rulings. As such, claims of this sort also could harm our relationships with those parties. If any pending or future proceedings result in an adverse outcome, we could be required to cease our business operations or provision of our services, which could have a material adverse effect on our business, financial condition and results of operations.

The loss of any member of our senior management team, or our failure to attract, train and retain qualified personnel, especially our R&D and technical personnel, could impair our ability to grow our business and effectively execute our business strategy.

Since our inception, the growth and expansion of our business operations have been dependent upon the business strategies and foresight of our senior management. Our future success also depends, in large part, on the continued contributions of our senior management team. In addition, our future success depends on our ability to retain, attract and incentivize qualified personnel, especially our R&D and technical personnel. The process of hiring employees with the combination of skills and characteristics required to implement our strategy can be extremely competitive and time-consuming. We cannot assure you that we will be able to attract adequate personnel as we continue to pursue our business strategies.

Moreover, we cannot assure you that we will be able to retain key existing employees. The loss of any of our senior management or R&D team members could harm our ability to implement our business strategies and respond to the rapidly changing market conditions in which we operate, or could result in other operating risks. The loss of one or more of our key employees or our inability to retain, attract and motivate qualified personnel, could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to fines and other administrative penalties resulting from our business operations, which could materially and adversely affect our business, financial condition and results of operation.

Our current operations are primarily subject to the regulations in Singapore and the United States. These relevant regulatory authorities have broad powers to adopt regulations and other requirements affecting or restricting our operations, including the regulation of digital assets and mining operations, as well as tax policies. Moreover, these relevant regulatory authorities possess significant powers to enforce applicable regulatory requirements in the event of our non-compliance, including the imposition of fines, sanctions or the revocation of licenses or permits to operate our business. If we face administrative fines or penalties concerning our operations or our subsidiaries, it could have a material adverse impact on our business, financial condition and results of operation.

We have granted, and may continue to grant, equity incentives under the 2022 Share Incentive Plan, which could adversely affect our results of operations.

We have assumed the 2022 Share Incentive Plan of Finfront upon the completion of the Business Combination. Pursuant to the assumed 2022 Share Incentive Plan (the "2022 Share Incentive Plan"), we have granted, and may continue to grant, share-based awards to our employees, directors or consultants to incentivize their performance and align their interests. The maximum aggregate number of ordinary shares that may be issued under the 2022 Share Incentive Plan is 7,500,000 ordinary shares. As of December 31, 2024, 6,512,781 restricted shares had been granted under the 2022 Share Incentive Plan, with 10,919 restricted shares forfeited. We may continue to grant share-based compensation in the future pursuant to the 2022 Share Incentive Plan or other share incentive plans that we adopt from time to time. We are required to account for share-based compensation expenses in accordance with the applicable accounting standards. The Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation generally requires a company to recognize, as an expense, the fair value of share options and other equity incentives to employees based on the fair value of equity awards on the date of the grant, with the compensation expense recognized over the period in which the recipient is required to provide service in exchange for the equity award. As a result, we could incur significant compensation charges and our results of operations could be adversely affected. In 2024, we recognized a share-based compensation expense of US\$26.1 million. With additional equity incentives granted to employees, directors or consultants in the future, we will incur additional share-based compensation expense and our results of operations will be further adversely affected. Moreover, such grants could also have dilutive impact on our existing shareholders.

If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our ordinary shares may be materially and adversely affected.

As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

In the course of preparing our consolidated financial statements, we identified one material weakness in our internal control over financial reporting. The material weakness identified relates to insufficient accounting personnel with appropriate experience and knowledge to address complex accounting matters in accordance with U.S. GAAP. Prior to preparing for the Business Combination, neither we nor our independent registered public accounting firm had undertaken a comprehensive assessment of our internal control for purposes of identifying and reporting the material weakness and other control deficiencies in our internal control over financial reporting.

To remedy the identified material weakness, we took several measures to improve our internal control over financial reporting, including, among others: (i) recruiting more qualified personnel equipped with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework, (ii) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel, (iii) enhancing oversight over and clarifying reporting requirements for, non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with U.S. GAAP and SEC reporting requirements, (iv) engaging a U.S. consulting firm as our advisor who has rich knowledge and experience in U.S. GAAP and SEC reporting, as well as accounting treatment and disclosures for the crypto industry, and (v) preparing more detailed guidance and manuals on financial closing policies and procedures to improve the quality and accuracy of period-end financial closing process. However, based on assessments performed by our management on the performance of certain remediation measures, we determined that the material weakness in our internal control over financial reporting previously identified had not been fully remediated. Our management has concluded that our internal control over financial reporting was not effective as of December 31, 2024. See "Item 15. Controls and Procedures—Management's Annual Report on Internal Control over Financial Reporting."

We plan to continue to implement measures to remedy the identified material weakness. However, we cannot assure you that these measures may fully address this material weakness in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future. Our failure to correct the material weakness or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

We are subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, require us to include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report in our annual report for the fiscal year ended December 31, 2024. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. If we fail to remedy the material weakness that has been identified and continues to exist or other material weaknesses that may be identified in the future, our management may again conclude that our internal control over financial reporting is not effective. In addition, our reporting obligations may place a significant strain on our management, operational, and financial resources and systems for the foreseeable future. We may be unable to complete our evaluation testing and any required remediation in a timely manner. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse opinion on the effectiveness of internal control over financial reporting if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, as a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. If we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, it could result in material misstatements in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our businesses, financial condition, results of operations and prospects, as well as the trading price of the ordinary shares, may be materially and adversely affected. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

As a public company, we have incurred and expect to continue to incur significant legal, accounting and other expenses. For example, as a public company, we need to meet the applicable requirement of Nasdaq for independent directors and adopt policies regarding internal controls and disclosure controls and procedures. Operating as a public company may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers.

After we are no longer an "emerging growth company," we may incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC.

Losses relating to our business may be uninsured, or insurance may be limited.

Our business is subject to hazards and risks normally associated with the daily operations of the mining digital assets, including the loss of digital assets and miners. Currently, other than general third-party liability insurance and insurance coverage for our miners, we do not maintain any other insurance policies for our business, or the assets and other properties utilized in our business operations. As such, our current lack of insurance protection may result in interruption of our operations, subject us to significant losses or liabilities and damage our reputation. Additionally, it may not be possible, either because of a lack of available policies, limits on coverage or prohibitive cost, for us to obtain insurance of any type that would cover losses associated with our operations and digital asset portfolio. In general, we anticipate that certain losses related to our business will be uninsurable, or the cost of insuring against these losses will not be economically justifiable. If an uninsured loss occurs or a loss exceeds policy limits, it could have a material adverse effect on our business, financial condition and results of operations.

Our operations and those of our business partners and customers are vulnerable to natural disasters, geopolitical tensions, and other events beyond our control, the occurrence of which may have an adverse effect on our business, results of operations and financial condition.

Our business operations and those of our suppliers and customers are faced with numerous risks, including those arising from pandemics, capacity constraints, labor

strikes, fire, natural disasters (e.g. earthquakes, typhoons), and environmental or occupational disasters. Any of these events could disrupt our business operations. Facilities supporting our business operations could suffer significant disruptions due to earthquakes, extreme weather conditions, and other natural disasters or other events beyond our control. We are currently not covered by insurance against such business disruption. The manufacturing facilities of our suppliers could also be materially and adversely affected by earthquakes, extreme weather conditions, and other natural disasters or other events beyond our or the suppliers' control.

Our business could also be adversely affected by epidemics or outbreaks such as COVID-19, avian flu, and H1N1. An outbreak of those pandemics in the human population, or another similar health crisis, could adversely affect the economies and financial markets of entire regions, and cause significant turbulences to the market and supply chain relating to the digital assets. Moreover, any related disruptions to transportation or the free movement of persons could hamper our operations and force us or our suppliers to close the offices and facilities. The occurrence of any of the foregoing or other natural or man-made disasters could affect our suppliers, customers, other business partners and employees, result in significant delays, shortages or other disruptions of our services and adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Our Industry

It may be or become illegal to acquire, own, hold, sell or use digital assets, participate in the digital asset networks, or transfer or utilize digital assets in jurisdictions where we operate due to adverse changes in the regulatory and policy environment in such jurisdictions, which could materially and adversely affect our business, financial position and results of operations.

We primarily operate in the United States and Singapore and provides cloud-mining services to a global customer base. Changes in policies and laws regarding holding, using and/or mining of digital assets, in particular Bitcoins, in the jurisdictions where we provide services and products could impose restrictions on our operations and cause a decline in customer orders, and adversely affect our business operations and results of operations. We may have to relocate our operations, adjust our business, face legal and other liabilities and experience a material loss of revenue if any jurisdiction where we provide services or products or operates our business prohibits or restricts digital asset mining activities.

We are subject to significant uncertainties regarding future regulations pertaining to the holding, using or mining of Bitcoin and other digital assets. While Bitcoin and other digital assets have gradually gained more market acceptance in many countries, digital mining and blockchain transactions are anonymous and may be used for black market transactions, money laundering, tax evasion or other illegal activities. Some jurisdictions have introduced restrictions over the uses of digital assets, including the use of digital assets as a medium of exchange, the conversion between digital assets and fiat currencies or between digital assets, the provision of trading and other services related to digital assets by financial institutions and payment channels, and initial coin offerings and other means of capital raising based on digital assets. Our existing policies and procedures against such activities may not completely eliminate instances of money laundering and other illegal or improper activities by other parties utilizing our cloud-mining services. We cannot assure you that there it will be able to detect all instances of money laundering or other illegal or improper activities.

With advances in technology, global digital asset mining industry is likely to undergo significant changes in the future. It remains uncertain whether we will be able to cope with, or benefit from, those changes. In addition, as the mining of Bitcoin and other digital assets mining uses sophisticated devices that require a significant amount of electricity supply, future developments in the regulation of energy consumption, including possible restrictions on energy usage in the jurisdictions where we operate may also cause us to adjust our business operations and adversely affect the demand for our services or products. There have been public backlashes surrounding the environmental impacts of Bitcoin and other digital assets mining, particularly the large consumption of electricity, and governments of various jurisdictions have adopted measures, such as limit internet access and power supply to respond. For example, in the United States, certain local governments have discussed measures to address environmental impacts of digital assets mining operations, such as the high electricity consumption of digital assets mining activities. If the public opinion against or government measures restricting or prohibiting digital asset mining activities continue, such development could have a material and adverse effect on our business, financial condition and results of operations.

Any such government action could also have a deleterious impact on, or result in an increase in the volatility of the price of digital assets and miners. Moreover, we may have to adjust our business or to discontinue mining operations, or relocate to other jurisdictions in response to adverse change in regulations or government actions. However, such process would likely result in significant costs and disruption of operations. Our business, financial condition and results of operations may be materially and adversely affected by these adverse changes in the regulatory and policy environment.

Concerns about greenhouse gas emissions and global climate change may result in environmental taxes, charges, assessments or penalties and could have a material adverse effect on our business, financial condition and results of operations.

The effects of human activity on global climate change have attracted considerable public and scientific attention, as well as the attention of the United States and other governments. Efforts are being made to reduce greenhouse gas emissions, particularly those from coal combustion power plants, some of which plants we and our hosting facility suppliers may rely upon for power. The added cost of any environmental taxes, charges, assessments or penalties levied on such power plants could be passed on to us, increasing the cost to provide hosting services to our customers. Any enactment of laws or promulgations of regulations regarding greenhouse gas emissions by the United States, or any domestic or foreign jurisdiction in which we conduct business, could have a material adverse effect on our business, financial condition or results of operations.

If there are significant changes to the method of validating blockchain transactions, such changes could harm our self-mining business and reduce demand for our cloud-mining and hosting services.

New digital asset transaction protocols are continually being deployed, and existing and new protocols are in a state of constant change and development. While certain validation protocols currently employ a "proof of work" consensus algorithm, whereby transaction processors are required to expend significant amounts of electrical and hash calculations to solve complex mathematical problems in order to validate transactions and create new blocks in a blockchain, there may be a shift towards adopting alternative validating protocols. These protocols may include a "proof of stake" algorithm or an algorithm based on a protocol other than proof of work, which may decrease the reliance on mining capacity as an advantage to validating blocks. Our transaction processing operations are currently designed to primarily support a proof of work consensus algorithm. Should the algorithm shift from a proof of work validation method to a proof of stake method, mining would require less energy and may render any company that maintains advantages in the current climate (for example, from lower priced electricity, processing, property or hosting) less competitive. As a result of our efforts to optimize and improve the efficiency of our operations, we may be exposed to the risk in the future of losing the benefit of our capital investments and the competitive advantage we hope to gain as a result. Any such change to transaction validating protocols could have a material adverse effect on our business, financial condition and results of operations.

Substantial increases in the supply of mining equipment connected to the blockchain network would lead to an increase in network hash rate, which in turn would increase mining difficulty and negatively affect the economic returns of digital asset mining activities, which would decrease the demand for and/or pricing of our services and products.

The difficulty of digital asset mining, or the amount of computational resources required for a set amount of reward for recording a new block, directly affects the expected economic returns for miners, which in turn affects the demand for our miners and services. Digital asset mining difficulty is a measure of the amount of hash calculations required to record a new block and it is affected by the total amount of hash rate in the digital asset network. The digital asset algorithm is designed so that one block is generated, on average, every ten minutes, no matter how much hash rate is in the network. Thus, as more mining capacities join the network, and assuming the rate of block creation does not change, the amount of hash calculations required to generate each block and hence the mining difficulty increases. In other words, based on the current design of the digital asset network, digital asset mining difficulty would increase together with the total hash rate available in the digital asset network, which is in turn affected by the number of miners in operation. Further growth in the total hash rate in the blockchain network may drive up the difficulty of digital asset mining and resulting in downward pressure on the expected economic return of digital asset mining and the demand for, and pricing of, our services and products.

A slowdown in the demand for blockchain technology or blockchain hosting resources, or lack of market acceptance of blockchain networks and digital assets could have a material adverse effect on our business, financial condition and results of operations.

Adverse developments in the blockchain and digital asset industry could lead to a decrease in the demand for our services and products, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, the collapse and subsequent insolvency proceedings of FTX also expose us to the contagion risks related to the broader digital asset industry. We face risks including:

- a decline in the adoption and use of Bitcoin and other similar digital assets within the technology industry or a decline in value of digital assets;
- increased costs of complying with existing or new government regulations applicable to digital assets and other factors;
- a downturn in the market for blockchain hosting space generally, which could be caused by an oversupply of or reduced demand for blockchain space;
- the rapid development of new technologies or the adoption of new industry standards that render our current services and products obsolete or unmarketable and, in the case of our customers, that contribute to a downturn in their businesses, increasing the likelihood of a default under their service agreements or their becoming insolvent;
- a slowdown in the growth of the internet generally as a medium for commerce and communication;
- availability of an adequate supply of new generation digital asset mining equipment; and
- the degree of difficulty in mining digital assets and the trading price of such assets.

To the extent that any of these or other adverse conditions exist, they are likely to have an adverse impact on mining rewards and market demand and pricing for our services, which could have a material adverse effect on our business, financial condition and results of operations.

Additionally, we and our customers are affected by general business and economic conditions in the jurisdictions they operate, which in turn affect the market acceptance of blockchain networks and digital assets. These conditions include short-term and long-term interest rates, inflation, money supply, political issues, legislative and regulatory changes, including the imposition of new tariffs affecting our or our customers' services and products, fluctuations in both debt and equity capital markets and broad trends in industry and finance, all of which are beyond our control. Macroeconomic conditions that affect the economy and the economic outlook could adversely affect our customers and vendors, which could have a material adverse effect on our business, financial condition and results of operations.

Disruption in the digital asset industry, including multiple bankruptcy proceedings filed by industry participants, may adversely affect development of digital asset industry in general and subject market participants, including us, to reputational harm.

The prices of digital assets, including Bitcoin, have experienced substantial volatility. For example, the price of Bitcoin ranged from approximately US\$16,000 to approximately US\$46,000 in 2022, from approximately US\$17,000 to approximately US\$44,000 in 2023, and from approximately US\$42,000 to approximately US\$106,500 in 2024, and have continued to experience significant volatility since then, reaching approximately US\$81,600 as of March 31, 2025, according to Google Finance. In 2022 and 2023, a number of companies in the digital asset industry have declared bankruptcy, including Core Scientific, Celsius, Voyager Digital, Three Arrows Capital, BlockFi, FTX, and Genesis Holdco. Those bankruptcy proceedings contributed, at least in part, to cause price decreases in Bitcoin observed during those periods, a loss of confidence in the participants of the digital asset ecosystem and negative publicity surrounding the digital asset industry. In particular, negative publicity surrounding the digital asset industry may cause investors and customers to lose confidence and trust in digital asset mining and companies and digital asset exchanges, or the use of digital assets in general. As of the time of FTX's bankruptcy filing, we deposited US\$2.1 million and 480 units of Bitcoins in our account maintained at FTX. As a result of the FTX bankruptcy proceeding, we recorded full impairment loss on the assets held by FTX of US\$9.8 million (remeasured using the carrying value of Bitcoin as of December 31, 2022) in 2022. In 2024, we entered into a settlement agreement with a third party and sold to this counterparty our recovery rights on the assets held by FTX. Although we are not directly connected to these recent market events, we may still suffer reputational harm due to our association with the digital asset industry in general and our past transaction with FTX in particular. Such reputational harm may adversely affect our business, reputation, financial condition and results of operations.

Digital asset exchanges and wallets, and to a lesser extent, the digital asset network itself, may suffer from hacking and fraud risks, which may adversely erode user confidence in digital assets, which would decrease the demand for our services and products.

Digital asset transactions, as with any virtual system, are subject to risks from hackers, malware and operational glitches. Hackers can target digital asset exchanges and transactions to gain access to thousands of accounts and digital wallets where digital assets are stored. Digital asset transactions and accounts are not insured by any type of government program and all digital asset transactions are permanent because there is no third party or payment processor. Digital assets have suffered from hacking and cyber-theft as such incidents have been reported by several digital asset exchanges and miners, highlighting concerns about the security of digital assets and therefore affecting its demand and price. Also, the price and exchange of digital assets may be affected due to fraud risk. While digital asset uses private key encryption to verify owners and register transactions, fraudsters and scammers may attempt to sell false digital assets. All of the above may adversely affect the operation of the digital asset network which would erode user confidence in digital assets, which would negatively affect demand for our services and products.

The "halving" of rewards available on the Bitcoin network, or the reduction of rewards on other networks could have a negative impact on our ability to generate revenue as there may not be adequate incentive to continue transaction processing and transaction processing operations may be ceased altogether, which could have a material adverse effect on our business, financial condition and results of operations.

Under the current protocols governing the Bitcoin network, the reward for validating a new block on that network is cut in half from time to time, which has been referred to in our industry as "halving." When the Bitcoin network was first launched, the reward for validating a new block was 50 Bitcoin. In 2012, the reward for validating a new block was reduced to 25 Bitcoin. In July 2016, the reward for validating a new block was reduced to 12.5 Bitcoin, and in May 2020, the reward was reduced to 6.25 Bitcoin. On April 20, 2024, the reward was further reduced to 3.125 Bitcoin. The next halving for Bitcoin will occur when the block numbers reach 1,050,000 and is currently expected to occur in 2028. In addition, other digital asset networks may operate under rules that, or may alter their rules to, limit the distribution of new digital assets. If the reward of digital assets for solving blocks and transaction fees, in particular those for Bitcoins, are not sufficiently high, neither we nor our customers may have an adequate incentive to continue transaction processing and may cease transaction processing operations altogether, which may significantly reduce demand for our services. As a result, the halving of available rewards on the Bitcoin network, or any reduction of rewards on other networks, would have a material adverse effect on our business, financial condition and results of operations.

In addition, the reduction of rewards may reduce our profit margins, which could result in us selling a substantial portion of our digital assets, which are subject to high volatility. If we are forced to sell digital assets at low prices, it could have a material adverse effect on our business, financial condition and results of operations.

Malicious actors or botnet may obtain control of more than 50% of the processing power on the Bitcoin or other network, which may adversely affect our business, results of operations and prospects.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on the Bitcoin or other network, it may be able to alter the blockchain on which the Bitcoin or other network and most Bitcoin or other digital asset transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude, or modify the ordering of transactions, though it could not generate new Bitcoin or digital assets or transactions using such control. The malicious actor could "double-spend" its own Bitcoin or digital assets (i.e., spend the same Bitcoin or digital assets in more than one transaction) and prevent the confirmation of others' transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield our control of the processing power on the Bitcoin or other network, or the Bitcoin or other community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible.

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Although there are no known reports of malicious activity or control of the Bitcoin blockchain achieved through controlling over 50% of the processing power on the network, it is believed that certain mining pools may have exceeded the 50% threshold. The possible crossing of the 50% threshold indicates a greater risk in that a single mining pool could exert authority over the validation of Bitcoin transactions. To the extent that the Bitcoin or other digital asset ecosystems, including developers and administrators of mining pools, do not act to ensure greater decentralization of Bitcoin or other digital asset mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin or other network will increase, which may adversely affect our business, results of operations and prospects.

Digital assets, including Bitcoin, face significant scaling obstacles that can lead to high fees or slow transaction settlement times and any mechanisms of increasing the scale of digital asset settlement may significantly alter the competitive dynamics in the market.

Digital assets face significant scaling obstacles that can lead to high fees or slow transaction settlement times, and attempts to increase the volume of transactions may not be effective. Scaling digital assets, and particularly Bitcoin, is essential to the widespread acceptance of digital assets as a means of payment, which is necessary to the growth and development of our business.

Many digital asset networks face significant scaling challenges. For example, digital assets are limited with respect to how many transactions can occur per second. In this respect, Bitcoin may be particularly affected as it relies on the "proof of work" validation, which due to its inherent characteristics may be particularly hard to scale to allow simultaneous processing of multiple daily transactions by users. Participants in the digital asset ecosystem debate potential approaches to increasing the average number of transactions per second that the network can handle and have implemented mechanisms or are researching ways to increase scale, such as "sharding," which is a term for a horizontal partition of data in a database or search engine, which would not require every single transaction to be included in every single miner's or validator's block.

The mechanisms in place or being explored for increasing the scale of settlement of digital asset transactions may not be effective, and it is uncertain how long they will take to become effective or whether such mechanisms will be effective for all digital assets. There is also a risk that any mechanisms of increasing the scale of digital asset settlements, may significantly alter the competitive dynamics in the digital asset market and may adversely affect the value of Bitcoin stock, any of which could have a material adverse effect on our business, financial condition and results of operations.

If the reward of new digital assets and/or transaction fees for solving blocks are not sufficiently high to incentivize transaction processors, such processors may reduce or cease expending processing power on a particular network, which could negatively impact the utility of the network, reduce the value of our digital assets and have a material adverse effect on our business, financial condition and results of operations.

As the number of digital assets rewarded to transaction processors for validating blocks in a network decreases, the incentive for transaction processors to continue contributing processing power to the network may shift toward transaction fees. Such a shift may increase the transaction fees on a network. Higher transaction fees may reduce the utility of a network for an end user, which may cause end users to reduce or stop their use of that network. In such case, the price of the relevant digital asset may decline substantially and could go to zero. Such reduced price and demand for, and use of, the relevant digital asset and network may reduce the customers' demand for our cloud-mining services and hosting services, and reduce the return for our self-mining operations, all of which may have a material adverse effect on our business, financial condition and results of operations.

A soft or hard fork on a network could have a material adverse effect on our business, financial condition and results of operations.

The rules governing a network's protocol are subject to constant changes and, at any given time, there may be different groups of developers that can modify a network's protocol. As network protocols are not sold and their use does not generate revenues for their development teams, the core developers are generally not compensated for maintaining and updating the network protocols. Consequently, there is a lack of financial incentive for developers to maintain or develop networks and the core developers may lack the resources to adequately address emerging issues with network protocols. Although the Bitcoin and other leading digital asset networks are currently supported by core developers, there can be no guarantee that such support will continue or be sufficient in the future. To the extent that material issues arise with the Bitcoin or another network protocol and the core developers and open-source contributors are unable to address the issues adequately or in a timely manner, the networks may be adversely affected.

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Any individual can download the applicable network software and make any desired modifications that alter the protocols and software of the network, which are proposed to developers, users and transaction processors on the applicable network through software downloads and upgrades, typically posted to development forums such as *GitHub.com*. Such proposed modifications can be agreed upon, developed, adopted and implemented by a substantial majority of developers, transaction processors and users, which, in such event, results in a "soft fork" or "hard fork" on the relevant network. A "soft fork" occurs when an updated version of the validating protocol is still "backwards compatible" with previous versions of the protocol. As a result, non-upgraded network participants with an older version of the validating protocol will still recognize new blocks

or transactions and may be able to confirm and validate a transaction; however, the functionality of the non-upgraded network participant may be limited. Thus, non-upgraded network participants are incentivized to adopt the updated version of the protocol. The occurrence of a soft fork could potentially destabilize transaction processing and increase transaction and development costs and decrease trustworthiness of a network.

A "hard fork" occurs when the updated version of the validating protocol is not "backwards compatible" with previous versions of the protocol, and therefore, requires forward adoption by network participants in order to recognize new blocks, validate and verify transactions and maintain consensus on the relevant blockchain. Since the updated version of the protocol is not backwards compatible, a hard fork can cause the relevant blockchain to permanently diverge into two separate blockchains on a network. For example, in the case of Bitcoin, a hard fork created two new digital assets: Bitcoin Cash and Bitcoin Gold. The value of a newly created digital asset from a hard fork ("forked digital asset") may or may not have value in the long-run and may affect the price of other digital assets if interest and resources are shifted away from previously existing digital assets to the forked digital asset. The value of a previously existing digital asset after a hard fork is subject to many factors, including the market reaction and value of the forked digital asset and the occurrence of other soft or hard forks in the future. As such, the value of certain digital assets could be materially reduced if existing and future hard forks have a negative effect on their value.

If a soft fork or hard fork occurs on a network, which we or our customers are processing transactions or hold digital assets in, we may be required to upgrade our hardware or software in order to continue our operations, and there can be no assurance that we will be able to make such upgrades. A soft fork or hard fork in a particular digital asset that we deal with could have a negative effect on the value of that digital asset and could have a material adverse effect on our business, financial condition and results of operations.

The supply of Bitcoins available for mining is limited and we may not be able to quickly adapt to new businesses when all the Bitcoins have been mined.

The total Bitcoin supply is designed to be approximately 21 million, and approximately 19.8 million Bitcoins had already been mined as of December 31, 2024, according to *CoinGecko.com*. The number of blocks that can be solved in a year is designed to be fixed, and the number of Bitcoins awarded for solving a block in the blockchain halves approximately every four years until the estimated complete depletion of Bitcoin available for mining by around 2140. While the remaining Bitcoins are not designed to be entirely depleted in the near future, a decrease in the reward for solving a block or in the transaction fees may result in a decrease in demand for the cloud-mining and miner hosting services relating to Bitcoin, and the loss of Bitcoin's dominant position among the digital assets, thereby reducing the demand for our services and products to the extent they depend on the prospects of Bitcoins. We may not be able to quickly adapt to new businesses or expand to other digital assets when all the Bitcoins have been discovered or Bitcoin is replaced by other digital assets as the mainstream digital asset, which will result in a significant negative impact on our business, financial condition and results of operations.

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Risks Related to the Regulatory Framework

Regulatory changes or actions may restrict the use of digital assets or the operation of digital asset networks in a manner that may require us to cease certain or all operations, which could have a material adverse effect on our business, financial condition and results of operations.

In recent years, there has been a significant amount of regulatory attention directed toward digital assets, digital asset networks and other industry participants by United States federal and state governments, foreign governments and self-regulatory agencies. For example, as digital assets such as Bitcoin have grown in popularity and in market size, the Federal Reserve Board, U.S. Congress and certain U.S. agencies including Financial Crimes Enforcement Network ("FinCEN"), the SEC, U.S. Commodity Futures Trading Commission (the "CFTC") and the Federal Bureau of Investigation have begun to examine the operations of the Bitcoin network, Bitcoin users and Bitcoin exchange markets. In addition, local state regulators have initiated actions against, and investigations of, individuals and companies involved in digital assets.

Additionally, the bankruptcy filings of FTX and other digital asset companies in recent years have attracted heightened regulatory scrutiny from U.S. regulatory agencies such as the SEC and CFTC. Increasing regulation may result in additional compliance costs and require us and our management to devote increased time and attention to regulatory matters or change aspects of our business. Increasingly strict legal and regulatory requirements and any regulatory investigation and enforcement action may result in changes to our business and relationship with customers and service providers, as well as increased costs. For example, the State of New York passed a two-year moratorium that restricts issuance of new permits for proof-of-work mining operations that are powered by an electric generating facility utilizing carbon-based fuel, and the province of Manitoba in Canada has enacted an 18-month moratorium on new crypto mining operations. Before termination of the hosting agreement in November 2024, we utilized the hosting services from hosting facilities located in New York, which were powered by hydro power. Furthermore, although we do not currently collaborate with mining facilities in Canada, similar legislation may be adopted by other states and non-U.S. jurisdictions where we have operations, which could require us to adjust our collaboration with affected mining facilities or temporarily suspend affected operations all together. New laws, regulations, or interpretations may result in additional litigation, regulatory investigations, and enforcement or other actions, all of which could significantly restrict or eliminate the market for or uses of digital assets in general and Bitcoin in particular.

Additionally, we rely on third parties for the supply of the key services and products used in our business operations, and any regulatory restrictions on their practices could significantly reduce demand for our services and products. Furthermore, it is possible that laws, regulations or directives that affect digital assets, digital asset transaction processing, or mining and hosting activities may change in a manner that may adversely affect our ability to conduct our business and operations in the relevant jurisdiction.

In addition, various foreign jurisdictions either have adopted or may adopt laws, regulations or directives that affect digital assets, digital asset networks, their users and service providers and suppliers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of the United States, may negatively impact the acceptance of digital assets by users, merchants and service providers outside of the United States and may therefore impede the growth of digital asset use. A number of countries, including India, China, South Korea and Russia, among others, currently have a more restrictive stance toward digital assets and, thereby, have reduced the rate of expansion of digital asset use, as well as digital asset transaction processing, in each of those countries. For example, a number of digital asset transaction processing operators have moved their operations from the restricted jurisdictions to other jurisdictions in order to build in more regulatory certainty in their operations. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use, dispose or trade digital assets or to exchange digital assets for fiat currency. Ownership and disposition of, holding or trading in digital assets may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject digital asset mining to additional regulation. Such tightening regulations could limit the ability of us, our customers, end users and other business partners in conducting digital asset-related activities, and in turn have a material adverse effect on our business, financial condition and results of operations.

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If we were deemed an "investment company" under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as contemplated.

An issuer will generally be deemed to be an "investment company" for purposes of the Investment Company Act if:

- it is an "orthodox" investment company because it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or

- it is an inadvertent investment company because, absent an applicable exemption, it owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We believe that we are not and will not be primarily engaged in the business of investing, reinvesting or trading in securities, and we do not hold ourselves out as being engaged in those activities. We intend to hold ourselves out as primarily providing cloud-mining services. Accordingly, we do not believe that we are an "orthodox" investment company as described in the first bullet point above.

While certain digital assets may be deemed to be securities, we do not believe that certain other digital assets, in particular Bitcoin, are securities; therefore, we believe that less than 40% of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis will comprise digital assets that could be considered investment securities. Accordingly, we do not believe that we are an inadvertent investment company by virtue of the 40% inadvertent investment company test as described in the second bullet point above. Although we do not believe any of the digital assets we may own, acquire or mine are securities, there is still some regulatory uncertainty on the subject, see "—Risks Related to Our Industry—We face uncertainties relating to whether cloud-mining operations and a particular digital asset will be deemed as "security" in any relevant jurisdiction, and we may be subject to regulatory scrutiny, investigations, fines, and other penalties if such digital asset is deemed to be dealing with "security," which may adversely affect our business, financial condition and results of operations." If certain digital assets, including Bitcoin, were to be deemed securities, and consequently, investment securities by the SEC, we could be deemed an inadvertent investment company. Similarly, if we were to acquire digital assets deemed investment securities to hold for our own account or to engage in certain transactions, such as loan or repurchase transactions, we could be deemed an inadvertent investment company.

If we were to be deemed as an inadvertent investment company, we may seek to rely on Rule 3a-2 under the Investment Company Act, which allows an inadvertent investment company a grace period of one year from the earlier of (a) the date on which the issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis or (b) the date on which the issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We intend to adopt policies that we expect will work to keep our investment securities held at less than 40% of our total assets, which may include acquiring assets with our cash, liquidating our investment securities or seeking no-action relief or exemptive relief from the SEC if it is unable to acquire sufficient assets or liquidate sufficient investment securities in a timely manner. As Rule 3a-2 is available to an issuer no more than once every three years, and assuming no other exclusion were available to it, it would have to keep within the 40% limit for at least three years after it ceases being an inadvertent investment company. This may limit our ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on our earnings. In any event, we do not intend to become an investment company engaged in the business of investing and trading securities.

Finally, we believe we are not an investment company under Section 3(b)(1) of the Investment Company Act because we are primarily engaged in a non-investment company business.

The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operations of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, prohibit the issuance of stock options, and impose certain governance requirements. We intend to continue to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act. However, if anything were to happen that would cause us to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on our capital structure, ability to transact business with affiliates and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among us and our senior management team and materially and adversely affect our business, financial condition and results of operations.

To the extent the SEC staff publishes new guidance with respect to these matters, we may be required to adjust our strategy or assets accordingly. We cannot assure you that we will be able to maintain our exclusion from registration as an investment company under the Investment Company Act. In addition, as a consequence of our seeking to avoid the need to register under the Investment Company Act on an ongoing basis, we may be limited in our ability to engage in digital asset mining operations or otherwise make certain investments or engage in certain transactions, and these limitations could result in our holding assets we may wish to sell or selling assets we may wish to hold, which could materially and adversely affect our business, financial condition and results of operations.

If we are required to register as a money services business ("MSB") under the regulations promulgated by the FinCEN, or otherwise under state laws, we may incur significant compliance costs, which may have a material negative effect on our business and the results of operations.

To the extent that our activities cause us to be deemed an MSB under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act, we may be required to comply with FinCEN regulations, including those that would mandate us to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records.

To the extent that our activities would cause us to be deemed a "money transmitter" ("MT") or equivalent designation, under state law in any state in which we may operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations that may include the implementation of anti-money laundering programs, maintenance of certain records and other operational requirements. For example, in August 2015, the New York State Department of Financial Services enacted the first U.S. regulatory framework for licensing participants in "virtual currency business activity." The regulations, known as the "BitLicense," are intended to focus on consumer protection and regulate the conduct of businesses that are involved in "virtual currencies" in New York or with New York customers and prohibit any person or entity involved in such activity to conduct activities without a license.

Such additional federal or state regulatory obligations may cause us to incur extraordinary expenses. Furthermore, we may not be capable of complying with certain federal or state regulatory obligations applicable to MSBs and MTs. If we are deemed to be subject to and determine not to comply with such additional regulatory and registration requirements, we may act to dissolve and liquidate.

We face uncertainties relating to whether cloud-mining operations and a particular digital asset will be deemed as "security" in any relevant jurisdiction, and we may be subject to regulatory scrutiny, investigations, fines, and other penalties if such digital asset is deemed to be dealing with "security," which may adversely affect our business, financial condition and results of operations.

As digital assets have grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming digital assets illegal, and others allowing their use and trade without restriction. In some jurisdictions, such as in the U.S., digital assets are subject to extensive, and in some cases overlapping, unclear and evolving regulatory requirements.

Bitcoin is the oldest and most well-known form of digital asset. Bitcoin and other forms of digital assets have been the source of much regulatory consternation, resulting in differing definitional outcomes without a single unifying statement. Bitcoin and other digital assets are viewed differently by different regulatory and standards setting organizations globally as well as in the United States on the federal and state levels. For example, the Financial Action Task Force considers a digital asset as currency or an asset, and the U.S. Internal Revenue Service ("IRS") considers a digital asset as property and not currency. Further, the IRS has indicated that general tax principles that apply to property transactions should also apply to transactions involving virtual currency, although there is no indication yet whether courts or other tax regulators will follow this classification.

Furthermore, in the several applications to establish an exchange traded fund ("ETF") of digital assets, and in the questions raised by the SEC staff under the Investment Company Act, no clear principles emerge from the regulators as to how they view these issues and how to regulate digital assets under the applicable securities acts. On January 10, 2024, the SEC approved the listing and trading of a number of spot bitcoin exchange-traded product ("ETP") shares. In his statement on the approval of spot bitcoin ETPs, SEC chairman Gary Gensler cautioned that such approval does not signal SEC's willingness to approve listing standards for crypto asset securities, nor SEC's views as to the status of other crypto assets under the federal securities laws or the current state of non-compliance of certain crypto asset market participants with the federal securities laws.

On April 20, 2021, the U.S. House of Representatives passed a bipartisan bill titled "Eliminate Barriers to Innovation Act of 2021" (H.R. 1602). If passed by the Senate and enacted into law, the bipartisan bill would create a digital assets working group to evaluate the current legal and regulatory framework around digital assets in the United States and define when the SEC may have jurisdiction over a particular token or digital asset (i.e., when it is a security) and when the CFTC may have jurisdiction (i.e., when it is a commodity). Furthermore, it is uncertain whether cloud-mining operations will be deemed as a form of "securities" under the securities laws of the United States or other jurisdictions where we have operations.

If regulatory changes or interpretations require the regulation of digital assets and cloud-mining operations under the securities laws of the United States or elsewhere, including the Securities Act, the Exchange Act and the Investment Company Act or similar laws of other jurisdictions and interpretations by the SEC, the CFTC, the IRS, Department of Treasury or other agencies or authorities, we may be required to register and comply with such regulations, including at a state or local level. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expense or burdens to us. We may also decide to cease certain operations and change our business model. For example, while we do not anticipate engaging in digital asset-denominated loan transactions, we would be required to assess the application of, and comply with, federal securities laws in connection with those or similar transactions. Any disruption of our operations in response to the changed regulatory circumstances may be at a time that is disadvantageous.

The SEC and its staff have taken the position that certain digital assets fall within the definition of a "security" under the U.S. federal securities laws. The legal test for determining whether any given digital asset is a security is a highly complex, fact-driven analysis that evolves over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular digital asset as a security. Additionally, the SEC's views in this area have evolved over time, and it is difficult to predict the direction or timing of any continuing evolution. Furthermore, it is also possible that a change in the governing administration or the appointment of new SEC commissioners could substantially impact the views of the SEC and its staff. Public statements by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin or Ethereum, in their current form, are securities. However, Bitcoin and Ethereum are the only digital assets as to which senior officials at the SEC have publicly expressed such a view. Such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court, and cannot be generalized to any other digital asset. With respect to all other digital assets, there is currently no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions we may draw based on our assessment regarding the likelihood that a particular digital asset could be deemed a "security" under applicable laws. Similarly, though the SEC's Strategic Hub for Innovation and Financial Technology published a framework for analyzing whether any given digital asset is a security in April 2019, this framework is also not a rule, regulation or statement of the SEC and is not binding on the SEC.

The SEC has brought enforcement actions against the issuers and promoters of several digital assets on the basis that the digital assets in question are securities. Such an enforcement action by the SEC or a state securities regulator, or a similar court decision, with respect to Bitcoin and the other digital assets we mine or trade, would be expected to have an immediate material adverse impact on the trading value of such digital assets. This is because the business models behind most digital assets are incompatible with regulations applying to transactions in securities. If a digital asset is determined or asserted to be a security, it is likely to become difficult or impossible for the digital asset to be traded, cleared or custodied in the United States through the same channels used by non-security digital assets, which in addition to materially and adversely affecting the trading value of the digital asset is likely to significantly impact its liquidity and market participants' ability to convert the digital asset into U.S. dollars. More recently, the SEC has also brought enforcement actions against digital asset trading platforms for operating unregistered securities exchanges on the basis that certain of the digital assets traded on their platforms are securities.

Since 2022, the bankruptcy filings of FTX and other bankruptcy filings of crypto companies have increased the regulatory scrutiny of the digital asset industry. For example, on June 5, 2023, the SEC brought charges against each of Coinbase and Binance with operating its digital asset trading platform as an unregistered national securities exchange, broker and clearing agency, asserting that certain assets supported on each trading platform are securities. On January 21, 2025, the SEC announced the formation of the Crypto Task Force, which is dedicated to helping develop a comprehensive and clear regulatory framework for crypto assets. On February 13, 2025, the SEC and Binance received a 60-day stay in the SEC's lawsuit against Binance, with both parties acknowledging that the new Crypto Task Force may impact and facilitate the potential resolution of this case. Similarly, given the pending work of the Crypto Task Force, the SEC also filed to dismiss its lawsuit against Coinbase on February 27, 2025. However, as stated in an announcement of the SEC, its decision to exercise the discretion and dismiss this enforcement action rests on the SEC's judgment that the dismissal will facilitate the its ongoing efforts to reform and renew its regulatory approach to the crypto industry, not on any assessment of the merits of the claims alleged in the action, and the SEC's decision to seek dismissal of the lawsuit against Coinbase does not reflect its position on any other cases.

We have adopted risk-based policies and procedures to analyze whether the digital assets that we mine, hold and sell for our own account could be deemed to be a "security" under applicable laws. Our policies and procedures do not constitute a legal standard, but rather represent our management's assessment, based on advice of our securities counsel, regarding the likelihood that a particular digital asset could be deemed a "security" under applicable laws. Regardless of our conclusions, we could be subject to legal or regulatory action in the event the SEC, a foreign regulatory authority, or a court were to determine that a digital asset currently held by us are a "security" under applicable laws. If the digital assets mined and held by us are deemed as securities, it could limit distributions, transfers, or other actions involving such digital assets, including mining, in the United States. In addition, miners on blockchain networks could, under certain circumstances, be viewed as statutory underwriters or as "brokers" subject to regulation under the Exchange Act. This could require us or our customers to change, limit, or cease mining operations, register as broker-dealers and comply with applicable law, or be subject to penalties, including fines. In addition, we could be subject to judicial or administrative sanctions for failing to sell the digital asset or distribute block rewards in compliance with the registration requirements, or for acting as a broker, dealer, or national securities exchange without appropriate registration. Such an action could result in injunctions, cease and desist orders, as well as civil monetary penalties, fines, and disgorgement, criminal liability, and reputational harm.

Furthermore, the SEC may determine that certain digital assets or interests, for example tokens offered and sold in initial coin offerings ("ICO"), may constitute securities under the "Howey" test as stated by the United States Supreme Court. As such, ICO offerings would require registration under the Securities Act or an available exemption therefrom for offers or sales in the United States to be lawful. Section 5(a) of the Securities Act provides that, unless a registration statement is in effect as to a security, it is unlawful for any person, directly or indirectly, to engage in the offer or sale of securities in interstate commerce. Section 5(c) of the Securities Act provides a similar prohibition against offers to sell, or offers to buy, unless a registration statement has been filed. Although we do not intend to be engaged in the offer or sale of securities in the form of ICO offerings, and we do not believe our mining activities would require registration for us to conduct such activities and accumulate digital assets, the SEC, CFTC, Nasdaq, IRS or other governmental or quasi-governmental agency or organization may conclude that our activities involve the offer or sale of "securities," or ownership of "investment securities," and we may be subject to regulation or registration requirements under various federal laws and related rules. Such regulation or the inability to meet the requirements to continue operations, would have a material adverse effect on our business and operations. We may also face similar issues with various state securities regulators who may interpret our actions as subjecting us to regulation, or requiring registration, under state securities laws, banking laws, or money transmitter and similar laws, which are also an unsettled area or regulation that exposes us to risks.

Current and future legislation and rulemaking regarding digital assets may result in extraordinary, non-recurring expenses and could have a material adverse effect on our business, financial condition and results of operations.

Current and future legislation and rulemaking by the CFTC and SEC or other regulators, including interpretations released by a regulatory authority, may impact the manner in which digital assets are treated. For example, digital assets derivatives are not excluded from the definition of "commodity future" by the CFTC. Furthermore, according to the CFTC, digital assets fall within the definition of a commodity under the Commodities Exchange Act (the "CEA") and as a result, we may be required to register and comply with additional regulations under the CEA, including additional periodic reporting and disclosure standards and requirements. We may also be required to register as a commodity pool operator and to register as a commodity pool with the CFTC through the National Futures Association. If we are required to register with the CFTC or another governmental or self-regulatory authority, the scope of our business and operations may be constrained by the rules of such authority and we may be forced to incur additional expenses in the form of licensing fees, professional fees and other costs of compliance.

The SEC has issued guidance and made numerous statements regarding the application of securities laws to digital assets. For example, on July 25, 2017, the SEC issued a Report of Investigation (the "Report of Investigation") which concluded that tokens offered and sold by the Decentralized Autonomous Organization ("DAO"), a digital decentralized autonomous organization and investor-directed venture capital fund for digital assets, were issued for the purpose of raising funds. The Report of Investigation concluded that these tokens were "investment contracts" within the meaning of Section 2(a)(1) of the Securities Act and Section 3(a)(10) of the Exchange Act, and therefore securities subject to the federal securities laws. In December 2017, the SEC issued a cease-and-desist letter to Munchie Inc., ordering that the company stop its initial coin offering of MUN Tokens on the grounds that it failed to file a registration statement or qualify for an exemption from registration. Similar to the tokens issued by the DAO, the SEC found that the MUN Tokens satisfied the definition of an "investment contract," and were therefore subject to the federal securities laws. In February 2018, both the SEC and CFTC further reiterated their concerns regarding digital assets in written testimony to the Senate Banking, Housing and Urban Affairs Committee. On March 7, 2018, the SEC released a "Statement on Potentially Unlawful Online Platforms for Trading Digital Assets," and reiterated that, if a platform "offers trading of digital assets that are securities" and "operates as 'exchange,' as defined by the federal securities laws," the platform must register with the SEC as a national securities exchange or be exempt from registration. The SEC's statement serves as a notice to operators of any platforms, including secondary market trading platforms, which the SEC is actively monitoring for potentially fraudulent or manipulative behavior in the market for security tokens, as the SEC has cautioned in the context of ICOs. On November 16, 2018, the SEC released a "Statement on Digital Asset Securities Issuance and Trading," and emphasized that market participants must adhere to the SEC's well-established and well-functioning federal securities law framework when dealing with technological innovations, regardless of whether the securities are issued in certificated form or using new technologies, such as blockchain. This has all been followed by additional statements and guidance from the SEC including no-action letters relating to specific blockchain-based projects, and a Framework for "Investment Contract" Analysis of Digital Assets published by the Division of Corporation Finance on April 3, 2019. In an August 2021 interview, SEC Chairman Gensler signaled the SEC is contemplating a robust regulatory regime for digital assets and reiterated the SEC's position that many digital assets are unregulated securities.

The SEC has been active in asserting its jurisdiction over ICOs and digital assets and in bringing enforcement cases. The SEC has directed enforcement activity toward digital assets, and more specifically, ICOs. In September 2017, the SEC created a new division known as the "Cyber Unit" to address, among other things, violations involving distributed ledger technology and ICOs, and filed a civil complaint in the Eastern District of New York charging a businessman and two companies with defrauding investors in a pair of so-called ICOs purportedly backed by investments in real estate and diamonds (see *Securities and Exchange Commission v. Recoin Group Foundation, LLC, et al.*, Civil Action NO. 17-cv-05725 (E.D.N.Y., filed Sept. 29, 2017)). Subsequently, the SEC has filed several orders instituting cease-and-desist proceedings against (i) Carrier EQ, Inc., d/b/a AirFox and Paragon Coin, Inc. in connection with their unregistered offerings of tokens (see *CarrierEQ, Inc.*, Rel. No. 33-10575 (Nov. 16, 2018) and *Paragon Coin, Inc.*, Rel. No. 33-10574 (Nov. 16, 2018), respectively), (ii) Crypto Asset Management, LP for failing to register a hedge fund formed for the purpose of investing in digital assets as an investment company (see *Crypto Asset Management, LP and Timothy Enneking*, Rel. No. 33-10544 (Sept. 11, 2018)), (iii) TokenLot LLC for failing to register as a broker-dealer, even though it did not meet the definition of an exchange (see *Tokenlot LLC, Lenny Kugel, and EliL. Lewitt*, Rel. No. 33-10543 (Sept. 11, 2018)), and (iv) EtherDelta's founder for failing either to register as a national securities exchange or to operate pursuant to an exemption from registration as an exchange after creating a platform that clearly fell within the definition of an exchange (see *Zachary Coburn*, Rel. No. 34-84553 (Nov. 8, 2018)).

On June 4, 2019, the SEC filed a complaint in the U.S. District Court for the Southern District of New York against Kik Interactive, Inc. with respect to its September 2017 offering of Kin. According to articles published by various news outlets, the SEC has allegedly issued numerous subpoenas and information requests to technology companies, advisors and individuals involved in the digital asset space and ICOs, as part of a broad inquiry into the digital asset market.

A number of proposed ICOs have sought to rely on Regulation A and have filed with the SEC a Form 1-A covering a distribution of a digital token. Two such offerings were qualified in July 2019. In addition, some token offerings have been commenced as private securities offerings intended to be exempt from SEC registration. The SEC has taken various actions against persons or entities that have allegedly misused digital assets, engaged in fraudulent schemes (i.e., Ponzi scheme) and/or engaged in the sale of tokens that were deemed securities by the SEC.

Although our activities are not focused on raising capital or assisting others that do so, the federal securities laws are very broad. We cannot provide assurance as to whether the SEC will continue or increase its enforcement with respect to digital assets or ICOs, including taking enforcement action against any person engaged in the sale of unregistered securities in violation of the Securities Act or any person acting as an unregistered investment company in violation of the Investment Company Act. Because the SEC has held that certain digital assets are securities based on the current rules and law, we may be required to register and comply with the rules and regulations under federal securities laws.

We cannot be certain as to how future regulatory developments will impact the treatment of digital assets under the law, including, but not limited to, whether digital assets will be classified as a security, commodity, currency and/or new or other existing classification. Such additional regulations may result in extraordinary, non-recurring expenses, thereby materially and adversely affecting an investment in us. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease certain or all of our operations. Any such action could have a material adverse effect on our business, financial condition and results of operations.

Assertion of jurisdiction by U.S. and foreign regulators, or other government entities over digital assets and digital asset industry may subject market participants, including us, to additional regulation and investigation.

Recent enforcement actions by the SEC with respect to digital assets related insider-trading and fraud activities have demonstrated U.S. regulators' willingness to assert jurisdiction on digital assets and related transaction. For example, the SEC had asserted that it had jurisdictions over digital asset trades executed on the Ethereum blockchain as such transactions occurred in the United States, where blockchain validation nodes were clustered. Regulators in other jurisdictions may adopt similar views in the future. Assertion of jurisdiction by U.S. and foreign regulators may subject market participants in the digital asset industry, including us, to evolving and complex regulation, and significantly increase their compliance costs. Although we currently are not aware of any regulatory proceeding or investigation against our operations, any failure on our part to comply with applicable regulation, including those asserted by U.S. and foreign regulators in the future, may subject it to regulatory investigation and penalties, potentially across multiple jurisdictions.

We may experience difficulties in establishing relationships with banks, leasing companies, insurance companies and other financial institutions that are willing to provide us with customary financial services and products, which could have a material adverse effect on our business, financial condition and results of operations.

As an early stage company with operations focused in the digital asset industry, we have in the past experienced, and may in the future experience, difficulties in establishing relationships with banks, leasing companies, insurance companies and other financial institutions that are willing to provide us with customary leasing and financial services and products, such as bank accounts, lines of credit, insurance and other related services, which are necessary for our operations. To the extent a significant portion of our business depends on digital assets and the related mining, processing, hosting or other business activities, we may in the future continue to experience difficulty obtaining additional financial services and products on customary terms, which could have a material adverse effect on our business, financial condition and results of operations.

Our interactions with a blockchain may expose us to SDN or blocked persons or cause us to violate provisions of law that did not contemplate distributed ledger technology.

The Office of Financial Assets Control of the U.S. Department of Treasury ("OFAC") requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals ("SDN") list. However, because of the pseudonymous nature of blockchain transactions, we may inadvertently and without our knowledge engage in transactions with persons named on OFAC's SDN list. Our internal policies prohibit any transactions with such SDN individuals, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact or our end customers. In addition, in the future, OFAC or another regulator, may require us to screen transactions for OFAC addresses or other bad actors before including such transactions in a block, which may increase our compliance costs, decrease our anticipated transaction fees and lead to decreased traffic on our network. Any of these factors, consequently, could have a material adverse effect on our business, prospects, financial condition and results of operations.

Moreover, federal law prohibits any U.S. person from knowingly or unknowingly possessing any visual depiction commonly known as child pornography. Recent media reports have suggested that persons have imbedded such depictions on one or more blockchains. To the extent government enforcement authorities literally enforce these and other laws and regulations that are impacted by decentralized distributed ledger technology, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties, all of which could harm our reputation and could have a material adverse effect on our business, prospects, financial condition and results of operations.

Because there is limited guidance for tax reporting and accounting of Bitcoin and other digital asset transactions, the determinations that we have made for how to account for or report the tax treatment of digital asset transactions may be subject to change and challenge by relevant tax authorities in various countries, including the United States. Failure to properly report activity related to digital assets for tax or accounting purposes may have negative regulatory or legal outcomes and harm our financial condition, results of operations and reputation.

In recent years, the rise of digital asset prices and transaction volume has attracted the attention of tax authorities. As the laws governing digital assets are still evolving, the tax treatment of digital assets in various jurisdictions are subject to change. U.S. federal, state and local non-U.S. jurisdictions could impose, levy or otherwise enforce tax laws against us. While some countries intend to or have imposed taxation on digital assets and transactions, other tax authorities are silent. As there is considerable uncertainty over the taxation of digital assets, we cannot guarantee that digital assets and transactions denominated in digital assets will not be subject to further taxation in the future, including but not limited to additional taxes, interest and penalties. These events could reduce the economic returns of digital assets and increase the holding costs of digital assets, which could materially and adversely affect the economic returns to our customers as well as to us for mining activities, and affect our business, financial condition and results of operations. Because there has been limited guidance for the tax reporting or accounting of digital assets and limited guidance has been provided by the IRS, it is unclear how digital asset transactions or other actions related to digital assets and related tax consequences should be accounted for or reported for tax purposes.

In 2014, the IRS released Notice 2014-21, IRB 2014-16, or the Notice, discussing certain aspects of "convertible virtual currency" (that is, digital currency that has an equivalent value in real (or fiat) currency or that acts as a substitute for fiat currency) for U.S. federal income tax purposes. The IRS stated that such digital currency is treated as "property," not "currency" for purposes of the rules relating to foreign currency gain or loss, and may be held as a capital asset. In 2019, the IRS released Revenue Ruling 2019-24 and a set of "Frequently Asked Questions," or the Revenue Ruling & FAQs, that provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital currencies are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital currency. However, the Notice and the Revenue Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of digital assets and related transactions. Moreover, there continues to be uncertainty with respect to the timing and amount of income inclusions for various digital asset transactions including, but not limited to, staking rewards and other digital asset products. Furthermore, the accounting treatment for revenues from cryptocurrency transactions is currently under review and subject to change. Failure to properly account for and report the transactions and other items related to the digital assets to relevant tax authorities, such as the IRS, could have negative outcomes for us and harm our reputation with customers and others.

There can be no assurance that the IRS or other foreign tax authority will not alter its existing positions with respect to digital assets in the future or that a court would uphold the treatment set forth in the existing IRS guidance. It is also unclear what additional guidance may be issued in the future on the treatment of existing digital asset transactions and future digital asset innovations for purposes of U.S. federal income tax or other foreign tax regulations. Any such alteration of existing IRS and foreign tax authority positions or additional guidance regarding digital asset products and transactions could result in adverse tax consequences for holders of digital assets and could have an adverse effect on the value of digital assets and the broader digital assets markets. Future technological and operational developments that may arise with respect to digital currencies may increase the uncertainty with respect to the treatment of digital currencies for U.S. federal income and non-U.S. tax purposes. The uncertainty regarding tax treatment of digital asset transactions impacts our customers and could impact our business.

Our tax information reporting and withholding obligations with respect to transactions involving digital assets are subject to change.

It is unclear whether we may be required to file information returns with taxing authorities or withhold any taxes with respect to our cryptocurrency mining operations in any jurisdiction. In our capacity as the facilitator of a cloud-mining platform, we may be deemed to have certain information reporting or withholding obligations to the IRS or another taxing authority. Changes in applicable laws and administrative guidance could impose such obligations on us. For example, under the Infrastructure Investment and Jobs Act of 2021 (Pub. L. 117-58), we may be treated as a "broker" with respect to digital assets transactions we facilitate. As a result, we may be required to file certain information reports that contain certain information, including customers' names and addresses, gross proceeds from sales, and any capital gains or losses, with the IRS. Additionally, in July 2024, the U.S. Department of the Treasury and the IRS issued final regulations on reporting by brokers on dispositions of digital assets for customers in certain sale or exchange transactions. The final regulations apply to brokers that take possession of the digital assets being sold by their customers, including operators of custodial digital asset trading platforms, certain digital asset hosted wallet providers, digital asset kiosks and certain processors of digital asset payments. Moreover, it is possible that new rules for reporting digital assets under the "Crypto-Asset Reporting Framework" proposed by the Organization for Economic Co-operation and Development (the "OECD") may be implemented on our international operations, creating new obligations and a need to invest in new onboarding and reporting infrastructure. If any of such obligations or requirements apply to us, and we do not comply with such obligations or requirements, or if additional withholding obligations are imposed on us, we and our customers may be harmed.

The digital assets held by us are not subject to FDIC or SIPC protections.

We do not hold our digital assets with a banking institution or a member of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"), and to date, neither the FDIC nor the SIPC has extended any such protections to depositors of digital assets. Accordingly, our digital assets are not subject to the protections by FDIC or SIPC member institutions and any loss of our digital assets could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Securities

Our share price may be volatile and could decline substantially.

The market price of our Class A ordinary shares may be volatile, both because of actual and perceived changes in our financial results and prospects, and because of general volatility in the stock market. The factors that could cause fluctuations in our share price may include, among other factors discussed in this section, the following:

- actual or anticipated variations in the financial results and prospects of the company or other companies in the digital asset-related industry;
- changes in economic and financial market conditions;
- changes in the market valuations of other companies in the digital asset-related industry;

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- announcements by us or our competitors of new services, expansions, investments, acquisitions, strategic partnerships or joint ventures;
- mergers or other business combinations involving us;
- additions and departures of key personnel and senior management;
- changes in accounting principles;
- the passage of legislation or other developments affecting us or our industry;
- the trading volume of the Class A ordinary shares in the public market;
- the release of lockup, escrow or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- potential litigation or regulatory investigations;
- changes in financial estimates by research analysts;
- natural disasters, terrorist acts, acts of war or periods of civil unrest; and
- the realization of some or all of the risks described in this section.

In addition, the stock markets have experienced significant price and trading volume fluctuations from time to time, and the market prices of equity securities of businesses in our and certain other industries may become extremely volatile and sometimes subject to sharp price and trading volume changes. These broad market fluctuations may materially and adversely affect the market price of the Class A ordinary shares.

The sale or availability for sale of substantial amounts of Class A ordinary shares and/or Warrants could adversely affect their market price.

Sales of substantial amounts of the Class A ordinary shares and/or Warrants in the public market or the perception that these sales could occur, could adversely affect the market price of the Class A ordinary shares and Warrants and could materially impair our ability to raise capital through equity offerings in the future. We are unable to predict the effect that such sales may have on the prevailing market price of our Class A ordinary shares and Warrants.

In connection with the Business Combination, certain shareholders of ordinary shares of Finfront prior to the Business Combination have agreed, subject to certain exceptions, not to sell any Class A ordinary shares for six months after the Closing. Following the expiration of the applicable lock-up periods, such shareholders are currently not restricted from selling the Class A ordinary shares held by them, other than by applicable securities laws. Class A ordinary shares held by the Sponsor and its affiliates may be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act, or pursuant to an effective registration statement covering the resale by the Sponsor and its affiliates. An aggregate of 7,400,000 Class A ordinary shares issued pursuant to the PIPE transactions are entitled registration rights following the Closing. For more information about registration rights of the PIPE Shares, see "Item 4. Information on the Company—A. History and Development of the Company—Additional Agreements in connection with the Business Combination." If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our Class A ordinary shares could decline.

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Exercise of Warrants and the Unit Purchase Option could increase the number of shares eligible for future resale in the public market and result in dilution to our shareholders.

As of the date of this Report, there were 7,176,389 Warrants outstanding. Each Warrant entitles its holder thereof to purchase three-fourths (3/4) of one Class A ordinary share at an exercise price of US\$11.50 per share (subject to adjustment). The Unit Purchase Option can be exercised at any time for up to 115,000 Option Units, which shall consist of one Class A Ordinary Share, one Warrant and one right, at an exercise price of US\$11.50 per unit (subject to the adjustment). To the extent Warrants and the Unit Purchase Option are exercised, additional Class A ordinary shares will be issued, which will result in dilution to our then existing shareholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could depress the market price of our Class A ordinary shares.

Our Warrants and the Unit Purchase Option may never be in the money, and they may expire worthless.

The exercise prices for our Warrants and the Unit Purchase Option are US\$11.50 per share and US\$11.50 per Option Unit, respectively (subject to adjustment), which exceed the market price of our Class A ordinary shares, which was US\$4.32 per share based on the closing price of our Class A ordinary shares on the Nasdaq on April 17, 2025.

The likelihood that warrant holders will exercise the Warrants, the likelihood that the holder of Unit Purchase Option will exercise the Unit Purchase Option, and therefore any cash proceeds that we would receive are dependent upon the market price of our Class A ordinary shares. If the market price for our Class A ordinary shares is less than \$11.50 per share, we believe warrant holders and the holder of Unit Purchase Option will be unlikely to exercise their respective securities.

We may issue additional ordinary shares or other equity or convertible debt securities without approval of the holders of the ordinary shares, which would dilute existing ownership interests and may depress the market price of our ordinary shares.

We may issue additional ordinary shares or other equity or convertible debt securities of equal or senior rank in the future without approval of the holders of the ordinary shares in certain circumstances. Our issuance of additional ordinary shares or other equity or convertible debt securities of equal or senior rank would have the following effects: (i) our existing shareholders' proportionate ownership interest may decrease; (ii) the amount of cash available per share, including for payment of dividends in the future, may decrease; (iii) the relative voting power of each previously outstanding ordinary shares may be diminished; and (iv) the market price of the Class A ordinary shares may decline.

Volatility in our share price could subject us to securities class action litigation.

The market price of our Class A ordinary shares may be volatile and, in the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. We may be the target of securities class action litigation and investigations. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could adversely affect our business, financial condition and results of operations.

The requirements of being a public company may strain our resources, divert our management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, listing requirements of Nasdaq and other applicable securities rules and regulations. As such, we have incurred and expect to continue to incur relevant legal, accounting and other expenses, and these expenses may increase even more if we no longer qualify as an "emerging growth company," as defined in Section 2(a) of the Securities Act. The Exchange Act requires, among other things, that we file annual and current reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We may need to hire more employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. These laws and regulations may increase our legal and financial compliance costs and render our certain business activities more time-consuming and costly.

Members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage the transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and regulations and the continuous scrutiny of securities analysts and investors. The need to establish the corporate infrastructure demanded of a public company may divert the management's attention from implementing our growth strategy, which could prevent the improvement of our business, financial condition and results of operations. Furthermore, these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and consequently we may be required to incur substantial costs to maintain the same or similar coverage. These additional obligations could have a material adverse effect on our business, financial condition, results of operations and prospects. These factors could also make it more difficult to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, compensation committee and nominating committee, and qualified executive officers.

As a result of disclosure of information in this Report, the prospectus we filed in connection with the Business Combination and in other filings required of a public company, our business and financial condition has and will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and, even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could cause an adverse effect on our business, financial condition, results of operations, prospects and reputation.

Recent market volatility could impact the share price and trading volume of our securities.

The trading market for our securities could be impacted by recent market volatility. Recent stock run-ups, divergences in valuation ratios relative to those seen during traditional markets, high short interest or short squeezes, and strong and atypical retail investor interest in the markets may impact the demand for the Class A ordinary shares.

A possible "short squeeze" due to a sudden increase in demand of the Class A ordinary shares that largely exceeds supply may lead to price volatility in the Class A ordinary shares. Investors may purchase the Class A ordinary shares to hedge existing exposure or to speculate on the price of the Class A ordinary shares. Speculation on the price of the Class A ordinary shares may involve both long and short exposures. To the extent aggregate short exposure exceeds the number of the Class A ordinary shares available for purchase, investors with short exposure may have to pay a premium to repurchase the Class A ordinary shares for delivery to lenders. Those repurchases may in turn, dramatically increase the price of the Class A ordinary shares. This is often referred to as a "short squeeze." A short squeeze could lead to volatile price movements in the Class A ordinary shares that are not directly correlated to the operating performance.

It is not expected that we will pay dividends in the foreseeable future.

It is expected that we will retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, it is not expected that we will pay any cash dividends in the foreseeable future.

Our board of directors has complete discretion as to whether to distribute dividends. Even if the board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on the future results of operations and cash flow, capital requirements and surplus, the amount of distributions, if any, received from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by the board of directors. There is no guarantee that our shares will appreciate in value or that the trading price of the shares will not decline.

If securities and industry analysts do not publish research or publish inaccurate or unfavorable research or cease publishing research about us, the price and trading volume of our securities could decline significantly.

The trading market for the Class A ordinary shares will depend in part on the research and reports that securities or industry analysts publish about us. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage us, the trading price for the ordinary shares would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our securities or publish inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts cease coverage or fail to publish reports on us, demand for the Class A ordinary shares could decrease, which might cause our share price and trading volume to decline.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to domestic public companies in the United States.

As a foreign private issuer, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we expect to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. Accordingly, you may receive less or different information about us than you would receive about a U.S. domestic public company.

We could lose our status as a foreign private issuer under current SEC rules and regulations if more than 50% of our outstanding voting securities become directly or indirectly held of record by U.S. holders and any one of the following is true: (i) the majority of our directors or executive officers are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States. If we lose our status as a foreign private issuer in the future, we will no longer be exempt from the rules described above and, among other things, will be required to file periodic reports and annual and quarterly financial statements as if we were a company incorporated in the United States. If this were to happen, we would likely incur substantial costs in fulfilling these additional regulatory requirements and members of our management would likely have to divert time and resources from other responsibilities to ensuring these additional regulatory requirements are fulfilled.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.

We are an exempted company incorporated in the Cayman Islands. Nasdaq market rules permit a foreign private issuer like us to follow the corporate governance practices of our home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from Nasdaq corporate governance listing standards applicable to domestic U.S. companies.

Among other things, we are not required to: (i) have a majority-independent board of directors; (ii) have a compensation committee consisting of independent directors; (iii) have a nominating committee consisting of independent directors; (iv) have regularly scheduled executive sessions with only independent directors each year; or (v) obtain shareholder approval prior to the issuance of additional shares in certain circumstances in accordance with Rule 5635 of the Nasdaq Stock Market Rules.

We may also follow the home country practice for certain other corporate governance practices in the future, which may differ from the requirements of the Nasdaq Stock Market. If we choose to follow the home country practice, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq Stock Market Rules applicable to U.S. domestic issuers.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under the law of the Cayman Islands, we conduct substantially all of our operations and a majority of our directors and executive officers reside outside of the United States.

We are incorporated under the laws of the Cayman Islands. We conduct a majority of our operations and a majority of our directors and executive officers reside outside of the United States. Our corporate affairs are governed by our Amended and Restated Memorandum and Articles of Association, the Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by noncontrolling shareholders and the fiduciary responsibilities of our directors to our company under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States and provides significantly less protection to investors. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although a final and conclusive monetary judgment obtained in the United States will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) was given by a foreign court of competent jurisdiction and the company either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process; (b) was not in respect of penalties, fines, taxes or similar fiscal or revenue obligations; (c) was not obtained fraudulently by the person in whose favor judgment was given; and (d) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. It may be difficult or impossible for you to bring an action against us or against our directors and officers in the Cayman Islands in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Shareholders of Cayman Islands exempted companies such as us have no general rights under Cayman Islands laws to inspect corporate records and accounts or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our Amended and Restated Memorandum and Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a U.S. company. Therefore, you may not be able to effectively enjoy the protection offered by the U.S. laws and regulations that intend to protect public investors.

In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions against us or our management named in the Report based on foreign laws, and therefore you may not be afforded the same protection as provided to investors in U.S. domestic companies.

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. We conduct a majority of our operations, and a majority of our directors and executive officers reside outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of Singapore may render you unable to enforce a judgment against us, our assets, directors and officers or their assets. Therefore, you may not be able to enjoy the same protection provided by various U.S. authorities as it is provided to investors in U.S. domestic companies.

In addition, to the extent that we retain any director that resides in a jurisdiction that does not have any treaties or other form of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments, additional local procedural rules will need to be followed.

We are an "emerging growth company" as defined under the federal securities laws, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our securities less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act, and we will remain an "emerging growth company" until the earliest to occur of (1) the last day of the fiscal year (a) following the fifth anniversary of the Closing, (b) in which we have total annual gross revenue of at least US\$1.235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our shares held by non-affiliates exceeds \$700 million as of the last business day of the prior second fiscal quarter, and (2) the date on which we issue more than \$1.0 billion in non-convertible debt during the prior three-year period. It is expected that we will take advantage of exemptions from various reporting requirements that are applicable to most other public companies, whether or not they are classified as "emerging growth companies," including, but not limited to, an exemption from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting and reduced disclosure obligations regarding executive compensation.

In addition, Section 102(b)(1) of the JOBS Act exempts "emerging growth companies" from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. If we elect not to opt out of such extended transition period, which means that when a standard is issued or revised and we have different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

Furthermore, even after we no longer qualify as an "emerging growth company," as long as we continue to qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including, but not limited to, the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, we will not be required to file annual reports and financial statements with the SEC as promptly as U.S. domestic companies whose securities are registered under the Exchange Act, and are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

As a result, our shareholders may not have access to certain information they deem important. We cannot predict if investors will find the Class A ordinary shares less attractive because we rely on these exemptions. If some investors find the Class A ordinary shares less attractive as a result, there may be a less active trading market and share price for the Class A ordinary shares may be more volatile.

We may be or become a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. Holders of our Class A ordinary shares.

Assuming section 7874 of the Internal Revenue Code of 1986, as amended (the "Code") does not apply to treat us as a U.S. corporation for U.S. federal income tax purposes (see "—Risks Related to Our Securities—The IRS may not agree with the position that we should be treated as a foreign corporation for U.S. federal income tax purposes following the Business Combination, which could have a material adverse effect on our financial position and results from operations and on non-U.S. holders' securities" for a more detailed discussion), if we or any of our subsidiaries is a PFIC for any taxable year, or portion thereof, that is included in the holding period of a U.S. Holder of the Class A ordinary shares, such U.S. Holder may be subject to certain adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. A non-U.S. corporation will be considered a PFIC for any taxable year if either (i) at least 75% of its gross income is passive income for such taxable year or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during such taxable year) is attributable to assets that produce or are held for the production of passive income (which includes cash and cash equivalents).

The application of the PFIC rules to digital assets and operations relating thereto, including Bitcoin and Bitcoin mining operations, is subject to uncertainty. For example, it is possible that our Bitcoin mining operations could cause us or one or more of our subsidiaries to become a PFIC by holding digital assets that are treated as commodities or non-inventory property, the excess of gains over losses from the disposition of which could be treated as passive income, or by holding digital assets that themselves could be treated as passive assets. There is no assurance that we or our subsidiaries are not currently PFICs for U.S. federal income tax purposes for the taxable year of the Business Combination or for foreseeable future taxable years. Moreover, we do not expect to provide a PFIC annual information statement for 2024 or going forward, which will preclude U.S. Holders from making or maintaining a "qualified electing fund" election under Section 1295 of the Code. See "Item 10. Additional Information—E. Taxation—Passive Foreign Investment Company Status" for a more detailed discussion with respect to our potential PFIC status and certain tax implications thereof. U.S. Holders are urged to consult their tax advisors regarding the possible application of the PFIC rules to holders of our securities.

The IRS may not agree with the position that we should be treated as a foreign corporation for U.S. federal income tax purposes following the Business Combination, which could have a material adverse effect on our financial position and results from operations and on non-U.S. holders' securities.

Although we are incorporated under the laws of the Cayman Islands, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to section 7874 of the Code. For U.S. federal income tax purposes, a corporation is generally considered a tax resident in the jurisdiction of its organization or incorporation. Because we are incorporated under the laws of the Cayman Islands, we would generally be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) for U.S. federal income tax purposes. Section 7874 provides an exception pursuant to which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. These rules are complex and require analysis of all relevant facts and circumstances, and there is limited guidance and significant uncertainties as to their application. If it were determined that we should be taxed as a U.S. corporation for U.S. federal income tax purposes under section 7874, we would be subject to U.S. federal income tax on our taxable income like any other U.S. corporation and certain distributions made by us to non-U.S. holders' securities would be subject to U.S. withholding tax at the rate of 30% or such lower rate as provided by an applicable treaty. Taxation as a U.S. corporation could also have a material adverse effect on our financial position and results from operations.

As more fully described under "Item 10. Additional Information—E. Taxation—Our Tax Residence for U.S. Federal Income Tax Purposes," our view is that section 7874 applies in a manner such that we should not be treated as a U.S. corporation for U.S. federal income tax purposes, based on our position that immediately after completion of the Business Combination, former shareholders of Arisz owned, by reason of owning (or being treated as owning) stock of Arisz, less than 80% of the voting power and value of our securities (the "Ownership Test"). However, our position depends in part on the position that the Ownership Test is determined immediately after the Business Combination rather than immediately after the Redomestication Merger for purposes of section 7874 of the Code. Further, holders are cautioned that the application of section 7874 to us is extremely complex. Applicable Treasury Regulations under section 7874 are subject to significant uncertainty, and there is limited guidance regarding their application. Moreover, the application of section 7874 to the facts and circumstances of the Business Combination are uncertain. No IRS ruling has been requested or will be obtained regarding the U.S. federal income tax consequences of the Business Combination or any other matter described in this Report. The IRS may not agree with our position that we should be treated as a non-U.S. corporation for U.S. federal income tax purposes, and there can be no assurance that, if challenged, such treatment will be sustained by a court.

U.S. Holders that directly or indirectly own 10% or more of our equity interests may be subject to adverse U.S. federal income tax consequences under rules applicable to U.S. shareholders of controlled foreign corporations ("CFCs").

Assuming section 7874 does not apply to treat us as a U.S. corporation for U.S. federal income tax purposes (see "—Risks Related to Our Securities—The IRS may not agree with the position that we should be treated as a foreign corporation for U.S. federal income tax purposes following the Business Combination, which could have a material adverse effect on our financial position and results from operations and on non-U.S. holders' securities" for a more detailed discussion), certain of our non-U.S. subsidiaries may be classified as CFCs for U.S. federal income tax purposes. A non-U.S. corporation generally will be classified as a CFC for U.S. federal income tax purposes if "10% U.S. equityholders" (as defined below) own, directly, indirectly or constructively, more than 50% of either (i) the total combined voting power of all classes of stock of such corporation entitled to vote or (ii) the total value of the stock of such corporation. Certain of our non-U.S. subsidiaries may be classified as CFCs (as a result of the application of certain constructive ownership rules that treat our U.S. subsidiary as owning the equity of our non-U.S. subsidiaries), and it is possible that we may be classified as a CFC in the future. The U.S. federal income tax consequences for U.S. Holders who at all times are not 10% U.S. equityholders would not be affected by the CFC rules. However, a U.S. Holder that owns (or is treated as owning, directly, indirectly or constructively, including by applying certain attribution rules) 10% or more of the combined voting power of all classes of our capital stock entitled to vote or the total value of our equity interests (including equity interests attributable to a deemed exercise of options and convertible debt instruments), or a "10% U.S. equityholder", if we were classified as a CFC, would generally be subject to current U.S. federal income taxation on a portion of our applicable subsidiaries' earnings and profits (as determined for U.S. federal income tax purposes) and our earnings and profits, regardless of whether such 10% U.S. equityholder receives any actual distributions. In addition, if we were classified as a CFC, a portion of any gains realized on the sale of our ordinary shares by a 10% U.S. equityholder may be treated as ordinary income. A 10% U.S. equityholder will also be subject to additional U.S. federal income tax information reporting requirements with respect to our subsidiaries that are classified as CFCs and with respect to us (if we were classified as a CFC) and substantial penalties may be imposed for noncompliance. We cannot provide any assurances that we will assist U.S. Holders in determining whether we or any of our subsidiaries are treated as a CFC for U.S. federal income tax purposes or whether any U.S. Holder is treated as a 10% U.S. equityholder with respect to any of such CFCs or furnish to any holder information that may be necessary to comply with reporting and tax paying obligations if we, or any of our subsidiaries, is treated as a CFC for U.S. federal income tax purposes. The IRS has provided limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and tax paying obligations with respect to foreign-controlled controlled foreign corporations. Each U.S. Holder should consult its own tax advisor regarding the CFC rules and whether such U.S. Holder may be a 10% U.S. equityholder for purposes of these rules.

Changes to, or changes in interpretations of, tax laws could have a material adverse effect on our business, financial condition and results of operations.

We are subject to income taxes and non-income taxes in the United States and other countries in which we transact or conduct business, and such laws and rates vary by jurisdiction. Tax laws and regulations, including at non-U.S. and U.S. federal and local jurisdictions, frequently change, especially in relation to the interpretation of existing tax laws for new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future tax laws.

Any changes in the taxation of our business activities may increase our worldwide effective tax rate and harm our business, financial condition and results of operations. Our tax expense could also be impacted by the applicability of withholding taxes and the impact of changes in the evaluation of tax positions we have taken in prior tax periods. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could harm our liquidity and results of operations. For example, various levels of government and international organizations, such as in the United States, the OECD, and the European Union ("EU"), have increasingly focused on tax reform and any result from this development may create changes to long-standing tax principles, which could adversely affect our effective tax rate. On October 8, 2021, the OECD announced an international agreement with more than 130 countries to implement a new global minimum effective corporate tax rate of 15% for large multinational companies. In December 2021, the OECD released Model Rules for implementation of Pillar II followed by the release of detailed commentary in March 2022. The OECD has released additional administrative guidance on the global minimum tax in February, July and December of 2023. Under the European Union's minimum tax directive, unanimously agreed by the member states in 2022, each member state is required to adopt domestic legislation implementing the minimum tax rules effective for periods beginning on or after December 31, 2023, with the "under-taxed profit rule" to take effect for periods beginning on or after December 31, 2024. Legislatures in multiple countries outside of the European Union (including United Arab Emirates ("UAE") and Singapore, where we have subsidiaries) have also drafted and/or enacted legislation to implement the OECD's minimum tax proposal. Given the OECD's continued release of guidance regarding Pillar II, that only certain jurisdictions have currently enacted laws to give effect to Pillar II, and that jurisdictions may interpret such laws in different manners, the overall implementation of Pillar II remains uncertain and subject to change, possibly on a retroactive basis. Additionally, under the agreement, new rules have been introduced that will result in the reallocation of certain profits from large multinational companies to market jurisdictions where customers and users are located. Implementation and enactment of these changes is ongoing. We will be monitoring the developments and tax implications of these changes, which may have adverse tax consequences for us.

All statements contained herein concerning U.S. federal income or other tax consequences are based on existing law and interpretations thereof. The tax regimes to which we are subject or under which we operate, including income and non-income taxes, are unsettled and may be subject to significant change. While some of these changes could be beneficial, others could negatively affect our after-tax returns. Accordingly, no assurance can be given that the currently anticipated tax treatment will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect. In addition, no assurance can be given that any tax authority or court will agree with any particular interpretation of the relevant laws.

We may be unable to maintain the listing of our securities in the future.

If we fail to meet the continued listing requirements and Nasdaq delists the Class A ordinary shares, we could face significant material adverse consequences, including:

- a limited availability of market quotations for the Class A ordinary shares;
- a limited amount of news and analyst coverage for us; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

We have adopted a dual-class share structure with different voting rights, which may adversely affect the value and liquidity of the ordinary shares.

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

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Our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of the Class A ordinary shares may view as beneficial.

We have adopted a dual-class share structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of shareholders, each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to five votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. The Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

As a result of such dual-class share structure and the concentration of ownership, holders Class B ordinary shares have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. They may take actions that are not in the best interest of our other shareholders. Such dual-class arrangement may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the Class A ordinary shares. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of the Class A ordinary shares may view as beneficial.

Our Amended and Restated Memorandum and Articles of Association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of the Class A ordinary shares.

Our Amended and Restated Memorandum and Articles of Association contain provisions which could limit the ability of others to acquire control or cause it to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. Our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with the ordinary shares. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the Class A ordinary shares may fall and the voting and other rights of the holders of the Class A ordinary shares may be materially and adversely affected.

We are a "controlled company" under the Corporate Governance Rules of Nasdaq and can rely on exemptions from certain corporate governance requirements that could adversely affect our public shareholders.

Mr. Leo Lu holds a majority of the aggregate voting power of our company and, therefore, we qualify as a "controlled company" under the Corporate Governance Rules of Nasdaq. Under these rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirement that a majority of its directors be independent, as defined in the Corporate Governance Rules of the Nasdaq and the requirement that the compensation committee and nominating and corporate governance committee consist entirely of independent directors. To the extent that we rely on certain exemptions applicable to controlled company under the Corporate Governance Rules of Nasdaq in the future, our public shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq corporate governance requirements.

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ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Finfront was incorporated in the Cayman Islands as an exempted company with limited liability in July 2021. It is operating under the trade name "BitFuFu" and through its subsidiaries, mainly including (i) Ethereum Tech Pte. Ltd. was incorporated in Singapore in May 2018 and was acquired by Finfront in October 2021 and became a wholly-owned subsidiary of Finfront in connection with a corporate reorganization; (ii) Ethereum Tech US Corporation, a wholly-owned subsidiary of Finfront, was incorporated in the State of Delaware in December 2021; (iii) Ethereum Tech ME Limited, a wholly-owned subsidiary of Finfront, was incorporated in the UAE in August 2024.

BitFuFu Inc. is an exempted company incorporated in the Cayman Islands with limited liability in February 2022 for the purpose of effecting the Business Combination. Prior to the Closing, BitFuFu Inc. did not conduct any material activities other than those incidental to our formation and the matters contemplated by the Merger Agreement. Following, and as a result of, the Business Combination, Finfront became a wholly-owned subsidiary of BitFuFu Inc., and all of our business is conducted through Finfront and its subsidiaries. Our principal executive offices are located at 9 Temasek Boulevard, Suntec Tower 2, #13-01, Singapore 038989 and our telephone number is +65 6252 7569. Our website address is <https://www.bitfufu.com>. The information contained on the website does not form a part of, and is not incorporated by reference into, this Report.

Business Combination with Arisz

On February 29, 2024, we consummated the previously announced business combination with Arisz Acquisition Corp., pursuant to (i) the agreement and plan of merger, dated as of January 21, 2022 (as amended as of April 4, 2022, October 10, 2022, April 24, 2023 and July 28, 2023), by and between Arisz and Finfront, (ii) the joinder agreement by and among us, Finfront, Merger Sub and Arisz, dated April 4, 2022, and (iii) supplemental joinder agreement by and among us, Finfront, Merger Sub and Arisz, dated December 20, 2023.

Pursuant to the Merger Agreement, the business combination was effected in two steps. On February 29, 2024, (i) Arisz merged with and into the Company with the Company surviving the Redomestication Merger as a publicly traded entity; and (ii) immediately following the Redomestication Merger, Merger Sub merged with and into Finfront, with Finfront surviving the Acquisition Merger as a wholly owned subsidiary of the Company.

At the Redomestication Merger Effective Time, pursuant to the Redomestication Merger: (i) all units of Arisz were separated into individual components of Arisz Common Stock, Arisz Warrant and Arisz Right and such units ceased to exist; (ii) each common stock of Arisz, issued and outstanding immediately prior to the Redomestication Merger Effective Time (other than any redeemed shares), were automatically cancelled and ceased to exist, and for each share of such Arisz Common Stock, the Company issued to each Arisz stockholder (other than Arisz stockholders who exercise their redemption rights in connection with the Business Combination) one validly issued, fully paid Class A ordinary share of the Company, par value US\$0.0001 per share; (iii) each warrant of Arisz issued and outstanding immediately prior to Redomestication Merger Effective Time was cancelled in exchange for one warrant of the Company to purchase three-fourths (3/4) of one Class A Ordinary Share; and (iv) each right of Arisz that entitles the holders thereof to receive one-twentieth (1/20) of one Arisz Common Stock issued and outstanding immediately prior to the Redomestication Merger Effective Time was cancelled in exchange for the number of full Class A ordinary shares equal to the number of Arisz Common Stock to which the registered holder of Arisz Right would have been entitled, rounded to the nearest whole share.

At the Effective Time (as defined in the Merger Agreement), pursuant to the Acquisition Merger: (i) each ordinary share of Finfront (other than the ordinary shares of Finfront held by Chipring Technology Limited, an entity controlled by Mr. Leo Lu, the founder and chief executive officer of the Company) issued and outstanding immediately prior to the Effective Time was cancelled in exchange for the applicable number of Class A ordinary shares; (ii) all ordinary shares of Finfront held by Chipring Technology Limited were cancelled in exchange for 135,000,000 Class B ordinary shares of the Company, par value US\$0.0001 per share; and (iii) the one share of Merger Sub issued and outstanding immediately prior to the Effective Time was converted into and became one ordinary share of Finfront.

Additional Agreements in connection with the Business Combination

PIPE Subscription Agreements

In connection with the Business Combination, Finfront and Arisz obtained commitments from interested accredited investors to purchase Class A ordinary shares issued in connection with the Closing, for an aggregate cash amount of \$74,000,000 at a purchase price of \$10.00 per share, in a private placement. Such commitments are being made by way of the subscription agreements (the "PIPE Subscription Agreements"), by and among each Subscriber, Finfront and Arisz. The terms of the PIPE Shares are identical to those of the Class A ordinary shares issued to existing public stockholders of Arisz at the time of the Closing, except that the PIPE Shares were not entitled to any redemption rights and were not registered under the Securities Act at the time of issuance.

Pursuant to the PIPE Subscription Agreements, we agreed to file (at our sole cost and expense) a registration statement registering the resale of the shares to be purchased in the private placement (the "PIPE Resale Registration Statement") with the SEC (i) no later than thirty (30) calendar days following the Closing assuming no additional financial statements are required or desirable to be included at the time of such filing) or (ii) ninety (90) calendar days following the Closing (assuming additional financial statements are required or desirable to be included at the time of such filing). We will use our commercially reasonable efforts to have the PIPE Resale Registration Statement declared effective as soon as practical but no later than the earlier of (i) the 120th calendar day following the filing date thereof (in the event the SEC notifies us that it will "review" the PIPE Resale Registration Statement) and (ii) the 10th business day after the date we are notified by the SEC that the PIPE Resale Registration Statement will not be "reviewed" or will not be subject to further review. For details of the PIPE Subscription Agreement, see Exhibit 4.21 to this Report.

On January 11, 2024, we, Finfront, Arisz and Merger Sub entered into an amended and restated PIPE Subscription Agreement (the "Amended and Restated PIPE Subscription Agreement") with certain Subscribers, a PIPE Subscription Agreement with a new Subscriber and a PIPE termination agreement with an existing Subscriber pursuant to which the aggregate cash amount of PIPE was increased to \$74,000,000, at a purchase price of \$10.00 per share.

The closing of the Amended and Restated PIPE Subscription Agreement and the PIPE Subscription Agreements took place concurrently with the closing of the Business Combination on February 29, 2024. The Amended and Restated PIPE Subscription Agreement and New PIPE Subscription Agreement contain substantially similar terms as the PIPE Subscription Agreement. For details of the Amended and Restated PIPE Subscription Agreement, see Exhibit 4.20 to this Report.

Backstop Agreements

On July 14, 2022, each of us, Arisz, Finfront and the Sponsor (along with any assignee of the Sponsor, the "Buyer") entered into a backstop agreement (the "First Backstop Agreement") whereby, in connection with the Business Combination, the Buyer agreed to subscribe for and purchase no less than US\$1.25 million worth of shares of Arisz Common Stock or Class A ordinary shares, as specified therein. The First Backstop Agreement terminated as per its terms on July 31, 2022.

On October 13, 2022, the parties to the First Backstop Agreement entered into a new backstop agreement (the "Backstop Agreement") substantially on the same terms as the First Backstop Agreement with the only substantive additional terms being that the subscription amount changed to \$2.0 million worth of shares and change of the termination date. The Sponsor subscribed for 200,000 Class A ordinary shares in a private placement transaction pursuant to the Backstop Agreement. The closing of the Backstop Agreement took place concurrently with the closing of the Business Combination on February 29, 2024. For details of the Backstop Agreement, see Exhibit 4.18 to this Report.

Amended and Restated Subscription Agreements

Contemporaneously with the execution of the Merger Agreement, each of Chardan and Sponsor executed amendments to the subscription agreements that had been executed by each of them on November 17, 2021 in connection with Arisz's initial public offering (the "Amended and Restated Subscription Agreements"). Pursuant to the Amended and Restated Subscription Agreements, each of Chardan and Sponsor agreed, among other things not to transfer assign or sell any Private Units, Over-Allotment Units (each as defined in the Amended and Restated Subscription Agreements) or their underlying securities, until the consummation of a business combination involving Arisz. For details of the subscription agreements, see Exhibit 4.17 to this Report.

Sponsor Support Agreement

Contemporaneously with the execution of the Merger Agreement, certain holders of Arisz Common Stock entered into a support agreement (the "Sponsor Support Agreement"), pursuant to which such holders agreed to, among other things, approve the Merger Agreement and the proposed Business Combination. For details of the Sponsor Support Agreement, see Exhibit 4.13 to this Report.

Shareholder Support Agreement

Contemporaneously with the execution of the Merger Agreement, certain holders of Finfront's ordinary shares entered into a support agreement (the "Shareholder Support Agreement"), pursuant to which such holders agreed to, among other things, approve the Merger Agreement and the proposed Business Combination. For details of the Shareholder Support Agreement, see Exhibit 4.14 to this Report.

Stock Purchase Agreements

In connection with the execution of the Merger Agreement, the Sponsor and ET entered into a stock purchase agreement (the "First ET Stock Purchase Agreement"), pursuant to which ET purchased 128,206 shares of Arisz Common Stock (the "ET Shares") from the Sponsor for a purchase price of \$1,250,000. Subject to the satisfaction of conditions set forth in the First ET Stock Purchase Agreement, the Sponsor shall cause the ET Shares to be transferred on the books and records of Arisz to ET. The transfer of ET Shares was completed. In addition, on October 10, 2022, the Sponsor and ET entered into a stock purchase agreement (the "Second ET Stock Purchase Agreement" and together with the First ET Stock Purchase Agreement, the "ET Stock Purchase Agreements"), pursuant to which ET purchased 76,142 shares of Arisz Common Stock (the "Additional ET Shares") from the Sponsor for a purchase price of \$750,000. Subject to the satisfaction of conditions set forth in the Second ET Stock Purchase Agreement, the Sponsor shall cause the Additional ET Shares to be transferred on the books and records of Arisz to ET. The transfer of Additional ET Shares was completed at the Closing. 204,348 Class A ordinary shares were issued at the Closing in connection with the aforementioned transactions, which have been classified as treasury shares of the Company.

In connection with the execution of the Merger Agreement, the Sponsor and Aqua Pursuit International Limited, the financial advisor of Finfront ("Aqua"), entered into a stock purchase agreement (the "Aqua Stock Purchase Agreement"), pursuant to which Aqua purchased 200,000 shares of Arisz Common Stock (the "Aqua Shares") from the Sponsor for a purchase price of \$2,000,000. Subject to the satisfaction of conditions set forth in the Aqua Stock Purchase Agreement, the Sponsor shall cause the Aqua Shares to be transferred on the books and records of Arisz to Aqua upon the consummation of any business combination (as defined in Arisz's organizational documents). On October 10, 2022, Aqua and the Sponsor entered into an amendment to the Aqua Stock Purchase Agreement, pursuant to which the number of Aqua Shares purchased from the Sponsor was changed from 200,000 shares of Arisz Common Stock to 260,000 shares of Arisz Common Stock, and the purchase price was changed from \$2,000,000 to \$2,500,000. The transfer of the Aqua Shares was completed at the Closing, and 260,000 Class A ordinary shares were issued at the Closing in connection with the aforementioned transaction.

Amended and Restated Registration Rights Agreement

At the Closing, we entered into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement") with certain Pre-IPO Investors (as defined therein) with respect to Class A ordinary shares received by the Pre-IPO Investors in exchanged for certain shares, units, private units (and the private shares, private warrants and private rights included therein) to the extent they own, over-allotment units and share held by Chardan as deferred compensation, among others, at the Closing. The Amended and Restated Registration Rights Agreement provides certain demand registration rights and piggyback registration rights to the Pre-IPO Investors, subject to underwriter cutbacks and issuer blackout periods. We agree to pay certain fees and expenses relating to registrations under the Amended and Restated Registration Rights Agreement. For details of the Amended and Restated Registration Rights Agreement, see Exhibit 4.16 to this Report.

Lock-Up Agreements

At the Closing, certain holders of Finfront's ordinary shares before the consummation of the Business Combination executed lock-up agreements (the "Lock-up Agreements"). Pursuant to the Lock-Up Agreements, such holders shall agree, subject to certain customary exceptions, not to (i) sell, offer to sell, contract or agree to sell, pledge or otherwise dispose of, directly or indirectly, any Ordinary Shares to be received by them in connection with the Business Combination (such shares, together with any securities convertible into or exchangeable for or representing the rights to receive Ordinary Shares if any, acquired during the Lock-Up Period (as defined below)), the "Lock-up Shares"), (ii) enter into a transaction that would have the same effect, (iii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Shares or otherwise or engage in any short sales or other arrangement with respect to the Lock-Up Shares or (iv) publicly announce any intention to effect any transaction specified in clause (i) or (ii) until the date that is six months after the date of the Closing (the "Lock-Up Period"). For details of the Lock-Up Agreement, see Exhibit 4.15 to this Report.

Further Information

For details of our principal capital expenditures for the previous three years ended December 31, 2024, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources."

The SEC maintains a website at www.sec.gov which contains in electronic form each of the reports and other information that we have filed electronically with the SEC.

B. Business Overview

The following discussion reflects our business. Unless the context otherwise requires, all references in this section to "we," "us," and "our" refer collectively to Finfront and its subsidiaries prior to the consummation of the Business Combination and BitFuFu Inc. and its subsidiaries following the consummation of the Business Combination.

Overview

We are a global leader in Bitcoin mining and comprehensive -mining service, dedicated to fostering a secure, compliant, and transparent blockchain infrastructure. We make available a variety of stable and intelligent digital asset mining solutions, including one-stop cloud-mining services and miner hosting services to institutional customers and individual digital asset enthusiasts. In addition, we have access to a fleet of advanced Bitcoin miners for efficient cloud-mining service to our customers and self-mining for our own account, allowing us to seamlessly adjust business strategies and reduce risk exposure. Leveraging our strategic collaboration with Bitmain Technologies Ltd., a world-leading cryptocurrency mining hardware manufacturer, we are able to secure a stable supply of advanced Antminer S21 miners.

Our innovative technologies are one of the key drivers to ensure our leadership position in the global digital asset mining industry. Our proprietary Aladdin system handles ultra-large scale management and dispatching of hash calculations, and has the maximum capacity to simultaneously connect millions of miners and to provide services that resolve critical mining problems arising from scalability, efficiency, authenticity, and securing hash calculations.

We have experienced rapid growth in the previous three years ended December 31, 2024. Our revenues increased from US\$198.2 million in 2022 to US\$284.1 million in 2023

and further to US\$463.3 million in 2024. We achieved a net profit of US\$2.4 million, US\$10.5 million and US\$54.0 million in 2022, 2023 and 2024, respectively. In 2022, 2023 and 2024, our adjusted EBITDA was US\$39.6 million, US\$41.7 million and US\$117.9 million, respectively. As of December 31, 2024, we have mining capacity of 23.5 EH/s, among which 20.3 EH/s were from suppliers or leased miners, 3.1 EH/s were from our self-owned miners, and 0.1 EH/s were from customers hosted miners. In 2024, 97% of the average daily mining capacity provided by our self-owned miners were used for self-mining operations, and the rest 3% were used for cloud-mining operations; 73% of the average daily mining capacity provided by the leased miners or third-party suppliers were used for our cloud-mining services, and the rest 27% were used for self-mining operations. The mining capacity provided by customers' hosted miners were used by the customers themselves for their own mining activities, and we only provided hosting services to those customers. In addition, we had access to approximately 551 MW in hosting capacity at mining facilities in five continents as of December 31, 2024. The registered users of our cloud mining business increased from 188,460 as of December 31, 2022 to 304,270 as of December 31, 2023, and further to 591,751 as of December 31, 2024.

Given the nature of digital asset mining, we serve a global customer base. However, we generate significant portions of the revenue from certain regions. In 2024, 51%, 31% and 13% of our revenue came from North America, Asia and Europe, respectively. The following table sets forth a geographic breakdown of our revenue (excluding mining revenue) generated from different geographic regions for the periods indicated:

	2024		2023		2022	
	Amount US\$ '000	%	Amount US\$ '000	%	Amount US\$ '000	%
North America	155,736	51	99,043	54	98,003	71
Asia	94,171	31	31,113	17	10,320	7
Europe	41,298	13	47,372	26	28,602	21
Others	14,614	5	6,381	3	983	1
Total revenue⁽ⁱ⁾	305,819	100	183,909	100	137,908	100

The basis for attributing revenues by continents is based on the customers' KYC information, which indicates the country or region where a corporate customer was incorporated or the place of residence of an individual customer.

(i) Total revenue excludes self-mining revenue.

Recent Development in the Digital Asset Industry

The prices of digital assets, including Bitcoin, have experienced substantial volatility. For example, the price of Bitcoin ranged from approximately US\$16,000 to approximately US\$46,000 in 2022, from approximately US\$17,000 to approximately US\$44,000 in 2023, and from approximately US\$42,000 to approximately US\$106,500 in 2024, and have continued to experience significant volatility since then, reaching approximately US\$81,600 as of March 31, 2025, according to Google Finance. In 2022 and 2023, a number of companies in the digital asset industry have declared bankruptcy, including Core Scientific, Celsius, Voyager Digital, Three Arrows Capital, BlockFi, FTX, and Genesis Holdco. Those bankruptcy proceedings contributed, at least in part, to cause price decreases in Bitcoin observed during those periods, a loss of confidence in the participants of the digital asset ecosystem and negative publicity surrounding the digital asset industry. At the time of FTX's bankruptcy filing, we deposited US\$2.1 million and 480 units of Bitcoins in account maintained at FTX. As of the date of this Report, aside from the impairment loss on assets held by FTX in the amount of US\$9.8 million recorded by us in 2022 in connection with the FTX bankruptcy proceeding, we have not been materially impacted by those bankruptcies and the recent disruption in the digital asset industry. As of the date of this Report, other than FTX, we have no material contractual relationship with any company in the digital asset industry that has experienced bankruptcy. Additionally, the disruption in the digital asset industry has not materially affected our relationship with suppliers or customers. While we have not been materially impacted by any liquidity or insolvency issues with such third parties to date, there is no guarantee that our counterparties will not experience liquidity or insolvency issues in the future. We will continue to closely monitor the development in digital asset industry, and will conduct diligence, including into liquidity or insolvency issues, on third-party service providers in the digital asset industry with whom we have potential or ongoing relationships. However, we cannot provide any assurance that we will not be materially impacted in the future by bankruptcies of market participants and recent disruption in the digital asset industry. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Industry."

Under the current protocols governing the Bitcoin network, the reward for validating a new block on that network is cut in half from time to time, which has been referred to in our industry as "halving." When the Bitcoin network was first launched, the reward for validating a new block was 50 Bitcoin. In 2012, the reward for validating a new block was reduced to 25 Bitcoin. In July 2016, the reward for validating a new block was reduced to 12.5 Bitcoin, and in May 2020, the reward was reduced to 6.25 Bitcoin. On April 20, 2024, the reward was further reduced to 3.125 Bitcoin. The next halving for Bitcoin will occur when the block numbers reach 1,050,000 and is currently expected to occur in 2028. The reduction in reward for validating new blocks could depress our and our customers' incentives to processing transactions through Bitcoin, which could have a material adverse effect on our business, financial condition and results of operations. See "Item 3 Key Information—D. Risk Factors—Risk Related to our Industry—The "halving" of rewards available on the Bitcoin network, or the reduction of rewards on other networks could have a negative impact on our ability to generate revenue as there may not be adequate incentive to continue transaction processing and transaction processing operations may be ceased altogether, which could have a material adverse effect on our business, financial condition and results of operations." for more details.

Competitive Strengths

We believe the following competitive strengths contribute to our success and distinguish us from our competitors:

A global leader in Bitcoin mining service and comprehensive mining service

Our digital asset mining services are focused on the generation of digital assets, in particular Bitcoin, by solving cryptographic hash functions, also referred to as "providing hash calculations," on specific digital asset blockchains, a process commonly known as "mining." Since our inception, we have made available scalable, reliable and efficient services, including cloud-mining services, to customers worldwide. For our cloud-mining services, we integrate mining capacities of mining equipment and other infrastructures from various suppliers to provide hash calculation services, and repackages and integrates such hash calculation services with other critical services to create a one-stop cloud-mining services for customers.

As of December 31, 2024, we provided our solutions and services through mining facilities in five continents, which were optimized for large-scale mining operations and sourced by Bitmain and other suppliers. As of the same date, we had access to approximately 551 MW in hosting capacity.

As of April 17, 2025, the aggregate market capitalization of digital assets reached approximately US\$2.75 trillion, among which 60.9%, or US\$1.67 trillion, could be attributable to Bitcoin, according to *CoinGecko.com*. We believe that we are one of the largest cloud-mining service providers worldwide in terms of total hosting capacity and mining capacity in 2024. Leveraging our large business scale, strategic collaboration with leading industry players and flexible business model, we believe we are well-positioned to

capture the growth potential for the digital asset industry.

Robust industry collaboration network covering Bitmain and AntPool

We are committed to fostering close collaboration with world-leading industry players, in particular with Bitmain, a world-leading cryptocurrency mining hardware manufacturer, and AntPool, a major digital asset mining pool. We received seed investment from Bitmain in July 2021 and further investments from Bitmain and AntPool in February 2024 pursuant to the Amended and Restated PIPE Subscription Agreements, demonstrating their continuous support of our future outlook. As more companies enter into the digital asset industry and compete for higher mining capacity, hosting capacity and power supply, we believe the strategic collaboration with Bitmain and AntPool enables us to secure access to stable supply of cost-efficient mining resources, such as miners with effective hash rate to power consumption ratio, electricity, hosting facility resources and pooling services at commercially optimal terms, so that we can deliver reliable services to our customers and efficiently scale up our customer base.

We are a cloud-mining strategic partner of Bitmain. We are also a S-level client of Bitmain, the highest level among all of Bitmain's clients, which has provided us with privileges in terms of, among others, availability of miners, delivery schedule and payment terms. In addition, we have also entered into a ten-year collaboration agreement with Bitmain, pursuant to which we can obtain 300 MW hosting capacity as well as stable, competitive power and hosting fee arrangements in mining hosting facilities across the world.

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Flexible business model to weather market volatility

We have adopted an efficient and flexible business model, featuring a trio of integrated digital asset services, including cloud-mining and self-mining. Through our hash calculation dispatch system and connection with mining pools, we can seamlessly deploy miners sourced from various suppliers into cloud-mining or self-mining operations according to our business needs, which allows us to optimize our miner utilization and mining returns. With our ability to secure a stable access to advanced miners, we can also strategically allocate such resources between selling miners and mining digital assets to optimize monetization amid highs and lows of the relevant digital asset markets. The complementary deployments miner resources procured from suppliers will allow us to effectively adjust our business strategies and reduce risk exposure under volatile market conditions.

By slicing the mining capacity we procure into units for various renting periods, our cloud-mining solutions enable customers at all sophistication levels to mine digital assets. Customers can avoid the significant up-front investment in expensive miners and gain access to mining facilities in a number of jurisdictions with stable and economical power supply. We offer a matrix of cloud-mining service plans for an affordable service fee, which lowers the entry barrier to digital asset transactions for all. Leveraging our access to a network of miner hosting facilities with professional support, we enable our customers to access cost-efficient power supply and the day-to-day operational support for their mining activities.

With our expanding fleet of leased and self-owned miners, we have engaged in and capitalized on mining digital assets for our own accounts since February 2022. In 2022, 2023 and 2024, our revenue generated from our self-mining operations was approximately US\$60.3 million, US\$100.2 million and US\$157.5 million, respectively. Currently, we primarily mine Bitcoin and accumulate the relevant digital assets for our current and future financial and operational needs. By diversifying our revenue streams from different income generating models, we believe we can better mitigate market volatility.

Visionary management team and R&D professionals with industry insight

Our management team believes that emerging technologies such as cloud mining and blockchain have great potential to drive the digital asset industry into an epoch. They are passionate about leveraging their industry know-how to explore more applications of digital assets. Our visionary management team has formulated a clear strategy to integrate high mining capacity and data flow efficiency into our solutions.

Our chairman and chief executive officer, Mr. Leo Lu, is a well-recognized leader in the digital asset and blockchain industry with rich industry experience. Prior to founding Finfront, Mr. Lu served as a business director of Bitmain and was responsible for co-founding Bitmain's cloud-mining department, designing cloud-mining pricing model, and developing digital asset-related products. During his time at Bitmain, Mr. Lu was also in charge of the planning and design of the big data center of Internet products, and comprehensive planning and analysis of blockchain and big data technology. Our management team also possesses complementary experiences gained from industry-leading traditional financial institutions, internet giants and blockchain unicorns.

We are committed to enhancing our R&D capabilities to strengthen our technology advantages and optimize our solutions to customers. We retain an R&D team with profound industry and technology background, such as internet product development, cloud architecture and system design.

Business Model

Self-mining operations

Specialized computers, or "miners," power and secure blockchains by providing hash calculations to validate transactions on specific digital asset networks. In order to add blocks to the blockchain, a miner must map an input data set consisting of the existing blockchain, plus a block of the most recent digital asset transactions and an arbitrary number called a "nonce," to an output data set of a predetermined length using hash calculations. Providing these hash calculations results in a reward of digital assets, such as Bitcoin. These rewards of digital assets can be sold for fiat currency. The underlying cost of mining generally consists of the cost of mining hardware, the cost of the electrical power to operate the machine, and other facility costs to house and operate the equipment.

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We have engaged in and capitalized on mining digital assets for our own accounts since February 2022. In 2022, 2023 and 2024, our revenue generated from self-mining operations was approximately US\$60.3 million, US\$100.2 million and US\$157.5 million, respectively. We operate miners that perform hash calculations in support of blockchain network measured in hash rate. The efficiency of a mining hardware is measured by the hash rate of such miner. Miners with higher hash rate when operating at maximum efficiency have a higher chance of completing a block in the blockchain and receiving a digital asset reward.

Currently, the likelihood that an individual mining participant acting alone will solve a block and be rewarded a digital asset is extremely low. As a result, to maximize the opportunities to receive a reward, most large-scale miners have joined with other miners in "mining pools" where the hash calculations of each pool participant are coordinated to complete the block on the blockchain and mining rewards are distributed to participants in accordance with the rules of the mining pool. Fees payable to the operator of the pool varies but are typically as much as 0.3%-4% of the reward earned and are deducted from the amounts earned by each pool participant. Mining pools are subject to various risks including connection issues, outages and other disruptions which can impact the quantity of digital assets earned by participants.

Through our collaboration with third-party hosting facility suppliers and a fleet of advanced miners, we operate miners for the purpose of mining Bitcoin. We mine and accumulate Bitcoins for our current and future financial and operational needs, based on market condition and the prevalent price of Bitcoin.

Our self-mining operations utilize third-party mining pools, such as AntPool and Foundry, to receive mining rewards from a given network. We maintain our own account in each of the mining pools that supports our self-mining operations. Under the Full-Pay-Per-Share method, which we have selected as our mining pool payout method, the mining pool confirms the amount of our Bitcoins payout each day at midnight UTC in exchange for the hash calculations performed by us to the mining pool in the previous 24 hours. The Bitcoin payout is settled on the following day, on a daily basis. We are entitled to compensation regardless of whether the mining pool operators successfully record a block to the Bitcoin blockchain.

Our results of operations for our self-mining operations are affected by fluctuations and long-term trends in the value of Bitcoin, blockchain difficulty, the purchase cost or lease expense of mining equipment, and the cost of hosting services (in particular the cost of electricity). Cost of revenues for self-mining operations mainly consists of lease expense of mining equipment, hosting expenses, procurement cost of hash rate and depreciation expenses. We measure the breakeven point for our self-mining operations by dividing the sum of cost of revenue and operating expenses by the number of Bitcoins actually mined from self-mining operations during the relevant period. In 2022, 2023 and 2024, we mined 2,825, 3,577 and 2,537 Bitcoins, respectively, and the breakeven point for our self-mining operations was approximately US\$21,500, US\$28,200 and US\$58,150, respectively. During the same periods, the average Bitcoin price was approximately US\$26,300, US\$28,850 and US\$65,960, respectively, according to Coinbase. The increase in the breakeven point of our self-mining operations from 2022 to 2023 was primarily due to the combined effect of (i) the decrease in the number of Bitcoins output per hash calculation, which is attributed to the increase in blockchain difficulty; and (ii) temporary suspension of certain miners during the third quarter of 2023 due to bad weather, power curtailments and the relocation of miners between facilities. The increase in the breakeven point of our self-mining operations from 2023 to 2024 was mainly attributable to the halving event occurred in April 2024 and the increase in the price of leased miners or purchased hash rate which was in line with the growth of Bitcoin price.

As of the date of this Report, our digital assets are mined to and stored in offline cold wallet, which is a physical device that holds digital assets offline and aims to prevent hackers from being able to access digital assets via traditional internet-hacking means. Access to digital assets in such cold wallet requires separate authentication from different authorized individuals.

Cloud-mining services

Our cloud-mining services provide a one-stop solution that enables customers at all levels to purchase hash calculation services and earn digital asset mining rewards on our cloud-based platform. Our cloud-mining services also enable customers to save the usually high up-front investment in purchasing expensive miners. Instead, customers can select from a suite of cloud-mining service plans on our platform, based primarily on different product types and plan duration. We adjust the pricing of cloud-mining products from time to time based on the then prevailing market price of Bitcoin and the estimated costs associated with operating the respective miner types. However, the fee rate of an order placed by customers on our platform is fixed at time of placing, consisting of an upfront service fee, and subsequent service fees charged at more flexible intervals before they are incurred. We also offer interest-bearing credit periods to some customers within the agreed service period, which requires Bitcoin as collaterals to secure the collection of accounts receivable. Currently, the cloud-mining services primarily support the mining of Bitcoin. We receive digital assets, such as BTC, ETH, BCH and USDT, as payments for our cloud-mining and hosting services. Such digital assets would be automatically converted into USDT. Since October 2022, we have begun to convert USDT into U.S. dollars and deposit them with banking institutions on a timely basis according to our treasury management strategy.

Our results of operations for cloud-mining services are affected by the value of Bitcoin, expected blockchain difficulty, the purchase cost or lease expense of mining equipment, and the cost of hosting services (in particular the cost of electricity), as well as the pricing and duration of our cloud-mining services. Cost of revenues for cloud-mining services mainly consists of lease expense of mining equipment, procurement cost of hash rate, hosting expenses or electricity fees, depreciation expenses, and system maintenance costs. In 2022, 2023 and 2024, the breakeven point for our cloud-mining services was US\$24,000, US\$24,100 and US\$52,920 respectively. During the same periods, the average Bitcoin price was US\$26,300, US\$28,850 and US\$65,960, respectively.

To provide cloud-mining services to our customers, we deploy miners sourced from our suppliers or miners owned by ourselves, and further render these miners operational and remotely accessible by procuring mining equipment hosting service, including data center rack space, electricity supply, network connectivity, hardware maintenance, and other necessary infrastructure services from the same or other suppliers. We then repackage the services of providing hash calculations using these miners, and integrate them with other critical services such as performance monitoring, hash rate stabilization, and connection with mining pools. Thus, we create a one-stop mining capability that can be sold in the form of cloud-mining services. We then sell cloud-mining services to our customers by transferring the control of the sub-divided hash calculations. For the mining capacity procured by us that is not subscribed for by any customer, we may deploy it in our self-mining.

Our cloud-mining services are user friendly and highly transparent to customers. Customer can register an account on our platform to purchase their desired type of cloud-mining plans. Our cloud-mining plans are efficient in obtaining mining block rewards. Currently, it is becoming less likely for individual miners with relatively low hash rate to successfully solve blockchain without pooling resources together with other miners or operate within a mining pool, where miners can contribute their hash calculations to collectively solve a blockchain transaction. When our customers subscribe for our cloud-mining services, they are simultaneously connected to a mining pool with greater mining capacity, thus allowing them to pool hash calculations and mine more efficiently. As a result of pool of resources, customers are more likely to beat other participants to generate a winning hash to earn a Bitcoin. While customers need not procure, transport, install, manage or maintain the underlying mining hardware or software by themselves, they monitor the hash calculation procedure and output in real time on our platform.

For our cloud-mining services, customers may apply the mining capacity bought by them to a selection of mining pools, including AntPool and F2Pool, through our platform. We could assist customers in applying mining capacity to other mining pools at customers' election if it is technically feasible and commercially reasonable. After a customer places an order for cloud-mining solutions with us, we help customer create a separate account with the designated mining pool, and bind the customer's digital asset wallet to such account. We will then apply mining capacity bought by the customer to his or her account in the mining pool to perform hash calculations, and the pool operator will directly distribute the mining rewards to the digital asset wallet associated with customer's account. We do not charge any fees or receive any income from the mining pool with respect to our cloud-mining services, and the mining pool is neither a supplier nor a customer of us with respect to our cloud-mining services. To the extent that our cloud-mining customers choose the same mining pools that support our self-mining operations, the hash calculations used for our self-mining operations and the hash calculations bought by our customers are separately connected to the mining pool through different accounts, and the mining rewards are distributed and paid by the mining pool operator to the respective accounts of us and our customers.

Cloud mining service agreements with our top three customers

Our business operations and financial performance have relied significantly upon our cloud-mining services since our inception, in particular those offered to our major customers. For instance, in 2022, 2023 and 2024, revenue from our top three customers, none of which are our affiliates or related parties, accounted for 31%, 26% and 31% of our total revenue in the same periods, respectively.

Each time a customer places an order on our platform, we would enter into a cloud-mining service agreement with the customer. Pursuant to the cloud-mining service agreement, we are responsible for providing the customer with cloud-mining services as displayed on our platform, or specially customized for the customer, the details of which shall be subject

to the specific order, and shall display operation status and outputs of the cloud-mining services in the account of the customers. Generally, we shall ensure the quality of our service, such as maintaining the daily average amount of executed hash calculations to be no less than 95% of the declared hash rate in the order, and extending the service period as stipulated in the order or refunding service fees for unutilized mining capacity if we are unable to provide services due to force majeure events or reasons not attributable to us. The customer undertakes to comply with our term of services and privacy policy as stipulated in our website, if any, and to provide true, accurate and complete personal/corporate data and information for the purpose of registering an account and using the services provided on our platform. Customers shall also agree to decide the mining pool to which the hash calculation services purchased from us will be provided. Once a mining pool is selected, a customer agrees that it has read and accepted the service agreement of the mining pool. To the fullest extent permitted by law, we disclaim liabilities for any loss or damage arising out of, or in connection with, the use of the services to be provided by the mining pool. We may unilaterally terminate the cloud-mining service agreement and cease to provide our services if the use of such services violates the laws and regulations of the jurisdiction where a customer is located, or if the customer fails to pay in full the service fees pursuant to this agreement. There was no minimum purchase amount commitment other than the purchase amount stipulated in the order.

Miner hosting services

We began to provide hosting services to customers of our cloud-mining services and other digital asset enthusiasts in July 2021. Our miner hosting services provide customers with miner deployment, monitoring, troubleshooting, optimization and maintenance, as well as necessary electrical power, repair and other infrastructure services necessary to operate, maintain and efficiently mine digital assets. Customers entrust us to deploy the miners in data centers in the premises of our hosting facility suppliers. Our customers retain the right to use the miners, and will pay us a set of service fees.

To provide miner hosting services to our customers, we procure mining equipment hosting service, including data center rack space, electricity supply, network connectivity, hardware maintenance and other necessary infrastructure services from various hosting facilities sourced by Bitmain and other suppliers. We then integrate these services with our own services, such as performance monitoring and stability optimization, into a combined hosting service, and sells the combined hosting service to our customers for service fees. We bear the risk of losses that may arise from the difference between the actual costs incurred by us and the selling price to the customers. As of December 31, 2024, we provided hosting services through three mining facilities in the United States (including Montana, Texas and Arkansas), one of which was sourced through hosting service cooperation arrangements with Bitmain, and the rest were through hosting cooperation arrangements between BitFuFu and third parties directly. See "—Suppliers—Hosting service cooperation arrangements under the Service Framework Agreement with Bitmain."

Electricity capacity and cost

Mining digital assets requires intensive hash calculations, and the generation of such calculations requires large amounts of electricity. As of December 31, 2024, we had access to approximately 551 MW in electricity capacity at mining facilities in the five continents through Bitmain and other suppliers. Electricity cost is charged by hosting operators for actual power consumption incurred for operating miners, which is then paid by us to hosting facility suppliers, including Bitmain, as part of hosting fees. In order to minimize the impact of electricity price increases on the costs, we have been leasing or acquiring more advanced miner series, such as S19XP series and S21 series, from suppliers since November 2022.

Suppliers

Digital asset mining is dependent on specialized digital asset mining hardware, most predominantly utilizing ASIC chips. Almost all of these miners are produced outside of the United States, mostly in Asia. Currently, the largest of miner manufacturer is Bitmain with its industry leading Antminer S21 series. We typically entered into supply agreements for most of the miners we operated or acquired for our mining operations, with certain suppliers, including Bitmain, which also provided us with relevant maintenance and repair services. With respect to our cloud-mining services, we may need to make a significant amount of prepayments for the miners we lease, and for our miner purchases, we are typically required to pay deposits to our miner suppliers in advance of delivery. If the market value of digital assets has increased, the demand for the newest, most efficient miners will also increase, leading to scarcity in the supply, and thereby a resulting increase in the price of hash calculations and miner supplies. Our business is highly dependent upon suppliers providing an adequate supply of efficient digital asset mining resources at economical prices to enable profitable mining by us and by third-party customers intending to purchase our solutions.

Antminer purchase arrangements

In the ordinary course of our business, we entered into a number of purchase agreements for digital asset miners of Antminer S19 and S21 series with certain suppliers, including Bitmain. Such purchase agreements do not contain exclusivity clauses that prohibit either party thereto from selling or purchasing miners from other third parties. Suppliers have the right to discontinue the sale of their miners and/or to make changes thereto at any time without prior approval from or notice to us. In addition, suppliers retain the intellectual property rights to such miners. Each agreement will remain in effect for as long as one or more shipping orders are outstanding thereunder, and may be terminated upon either party's uncured material breach or upon insolvency proceedings against us. The agreements with Bitmain for digital asset miners are governed by the laws of Hong Kong.

In December 2024, we entered into a two-year framework agreement with Bitmain to purchase from Bitmain up to 80,000 S-series miners (including but not limited to the S21 XP and S21 Pro). Under the terms of the framework agreement, we have the flexibility to place orders in batches over a two-year period. The machines will be available for our self-mining operations as well as to provide mining services to customers, including miner resales, cloud mining and miner hosting services, depending on market conditions and our evolving miner capacity requirements. Additionally, this framework agreement includes payment terms, enabling us to pay, at its option, part of the purchase price in our shares as well as the ability to defer part of cash payments interest-free after delivery of the miners. The framework agreement is governed by and construed in accordance with the laws of the State of Delaware, the United State. The foregoing description of the two-year framework agreement with Bitmain does not purport to be complete and is qualified in its entirety by the terms and conditions of the actual agreement, which is filed as Exhibit 10.5 hereto and incorporated by reference herein.

Hash rate server cooperation arrangements

We entered into hash rate server cooperation arrangements with our suppliers, pursuant to which they will lease miners that provide hash calculations to us. We make procurement order before the beginning of each month and are subject to a minimum purchase amount based on our quarterly business plan and these suppliers' miner availability. Procurement orders shall be placed on a monthly basis, and may not be automatically renewed. After the suppliers lease the miners to us, we will use our Aladdin system to control the miners, standardize and dispatch the hash calculations of the miners, and make the cloud-mining services available on our platform to different customers. We will be responsible for the services provided through the miners. We will also take necessary technical measures to ensure the normal operations of the miners and remedial measures against security risks. These agreements are generally automatically renewed, subject to prior written notice of termination, and are governed by the laws of Hong Kong or Singapore.

Hosting service cooperation arrangements under the Service Framework Agreement with Bitmain

Costs attributed to our largest supplier, Bitmain, represented approximately 52%, 61% and 41% of our total cost of revenue in 2022, 2023 and 2024, respectively.

Pursuant to the Service Framework Agreement with Bitmain dated as of December 20, 2021, as amended, we can obtain 300 MW hosting capacity under the hosting service cooperation arrangements with Bitmain, which will source available hosting facilities and is responsible for storing miners, providing on-site IT consulting, maintenance and repair, power supply, cooling and other services. Bitmain typically has access to large-scale computing infrastructures that provide digital asset mining colocation services and handle the management of our mining equipment. We generally make payment under the Service Framework Agreement and the related service orders on a monthly basis, based on the number of miners under management and the amount of electricity consumed. The hosting service fee rate between us and Bitmain under the Service Framework Agreement is based on electricity cost actually consumed by miners under management at the respective hosting facilities, plus a fixed fee, which may be amended by mutual consent by us and Bitmain. In addition, we may incur additional electricity costs based on specific orders under the Service Framework Agreement, which may include periodic price adjustment mechanism with reference to local electricity price index. The Service Framework Agreement has a term of ten years, and may be extended by mutual written agreement by Bitmain and us. The Service Framework Agreement may be terminated by mutual agreement between the parties, or by either party upon the material breach of the agreement, bankruptcy, dissolution, or revocation of business license of the counterparty. If we unilaterally terminate the Service Framework Agreement or any service order thereunder, we shall be liable for ten-day's hosting fees. The Service Framework Agreement is governed by the laws of Hong Kong.

The foregoing description of the Service Framework Agreement with Bitmain does not purport to be complete and is qualified in its entirety by the terms and conditions of the actual agreement, which is filed as Exhibit 10.4 hereto and incorporated by reference herein.

Hash computer server cooperation agreement with Burdy

Costs attributable to our supplier, Burdy Technology Limited ("Burdy"), represented 32%, 13% and 14% of our total cost of revenue in 2022, 2023 and 2024, respectively. Burdy is a miner and mining service provider with broad miner access in the United States.

According to the hash computer server cooperation agreement between us and Burdy dated June 15, 2021, as amended on October 30, 2021, Burdy will lease miners that provide hash calculations to us. We make procurement order at the beginning of each month and are subject to a quarterly minimum purchase amount based on our quarterly business plan and Burdy's miner availability. The parties will sign a minimum commitment of lease amount for next quarter upon confirmation. Burdy reserves the right to adjust the rental price from time to time. After Burdy leases the miners to us, we will use our system to control the miners, standardize and dispatch the hash calculations of the miners, and make the cloud-mining solutions available on our platform to our customers. We will be responsible for the services provided through the miners. We will also take necessary technical measures to ensure the normal operations of the miners and remedial measures against security risks. We may terminate the agreement if, among other events, Burdy fails to rectify within 48 hours after our request for rectification of substandard services. Burdy may terminate the agreement if, among other events, we fail to pay the relevant fees more than 15 days after the due date. This agreement has an initial term of two years, and will be automatically renewed subject to prior written notice of termination. The hash computer server cooperation agreement is governed by the laws of Hong Kong.

The foregoing description of the hash computer server cooperation agreement, as amended, does not purport to be complete and is qualified in its entirety by the terms and conditions of the actual agreements, which are filed as Exhibits 10.1 and 10.2 hereto and incorporated by reference herein.

Digital Assets

We accumulate Bitcoin mined through our self-mining operations and will exchange Bitcoin for fiat currencies at established cryptocurrency exchanges, such as Coinbase, to satisfy our working capital needs. We also receive other digital assets, such as BTC, ETH, BCH and USDT, as payments for our cloud-mining service. Digital assets that are received as service payments would be converted into USDT. Since October 2022, we have begun to convert USDT into U.S. dollars and deposit them with banking institutions on a timely basis according to our treasury management strategy. Prior to December 2022, we held digital assets pre-paid by customers for their anticipated purchase of services, and temporarily held mining rewards of customers on their behalf in separate wallets, if such customers do not have their own digital asset wallets. We are required to release safeguarded digital assets upon customers' instruction. As of December 31, 2022, we ceased to offer such temporary custodian services.

As of December 31, 2024, the total value of Bitcoins and USDT recorded in our balance sheet was US\$125.0 million and US\$4.8 million, respectively. Bitcoin is the only digital asset that accounted for more than 5.0% of our total digital assets as of December 31, 2024. If excluding the Bitcoins that our customers pledged to us and including those we pledged to others, we held 1,721 Bitcoins as of December 31, 2024.

We keep Bitcoins mined by our self-mining operations in offline cold wallet and hold the private key. Our management is responsible for overseeing the digital assets and their transfers. Our internal policy requires each employee holding the required credentials to obtain corporate approval prior to any transfer of our digital assets. The digital assets held for our own account are not insured or guaranteed by any government or government agency. We also rely on service providers to safeguard our digital assets, and may experience difficulties in recovering our digital assets when the associated private keys are lost or leaked. Any security incident resulting in a compromise of our digital assets could result in substantial costs to us. Such incidents could also subject us to litigation, significant financial losses and damage our reputation. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Operations—We rely on third-party service providers to safeguard and manage certain digital assets. Loss of private keys, security breach and hacking attempts could cause the loss and theft of such digital assets, and materially and adversely impact our business, financial condition and results of operations."

We are subject to risk associated with depositing fund and digital assets with such third-party cryptocurrency exchanges and may experience loss of fund and digital assets if such exchanges fail to manage our fund or digital assets appropriately and in compliance with applicable regulatory requirement. For example, we have not been able to recover the fund and digital assets deposited with FTX at the time of its bankruptcy filing. As a result, we recorded impairment loss on assets held by FTX of US\$9.8 million in 2022 (remeasured using the carrying value of Bitcoin as of December 31, 2022). Since the voluntary bankruptcy proceeds of FTX, we have suspended our transactions with FTX. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Operations—We deposit certain fund and digital assets with cryptocurrency exchanges. If such cryptocurrency exchanges become bankrupt or otherwise unable to remit stored fund and digital assets, we may lose these assets, and our business, financial condition and results of operations may be adversely affected."

We do not engage in the trading of, or investing in, digital assets that may be deemed as "securities." We intend to mine digital assets that are generally not deemed as "securities." The SEC and its staff have taken the position that certain digital assets fall within the definition of a "security" under the U.S. federal securities laws. Public statements by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin or Ethereum, in their current form, are securities. However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court, and cannot be generalized to any other digital asset. In accordance with a framework for analyzing whether a given digital assets is a security, published by the SEC's Strategic Hub for Innovation and Financial Technology in April 2019, we would need to determine whether each of the digital assets acquired and held by us are an "investment contract," as well as other instruments such as stocks, bonds, and transferable shares.

We intend to consult counsel prior to attempting to mine any cryptocurrency other than those that are generally not considered as "securities," such as Bitcoin and Ethereum, in order to avoid inadvertently dealing in a digital asset which may be deemed a security. We anticipate that, should we consider mining a digital asset other than those that are generally not considered as "securities," we will seek the advice of securities counsel, and the process will include research, review and analysis of the current federal securities laws and regulations regarding digital assets, including judicial interpretations and administrative guidance. However, the processes employed for determining whether particular digital assets are securities within the meaning of U.S. federal securities laws are risk-based assessments and are not a legal standard or binding on the SEC or other regulators. See "Item 3. Key Information—D. Risk Factors—Risks Related to the Regulatory Framework—We face uncertainties relating to whether cloud-mining operations and a

particular digital asset will be deemed as "security" in any relevant jurisdiction, and we may be subject to regulatory scrutiny, investigations, fines, and other penalties if such digital asset is deemed to be dealing with "security," which may adversely affect our business, financial condition and results of operations." We recognize that whether a digital asset is a security is a complex and evolving legal issue. For that reason, we have no plan in the foreseeable future to mine anything other than digital assets that are generally not considered as "securities." However, if our compliance procedures and legal reviews prove to be incorrect, we may be subject to prohibitive SEC penalties and/or private lawsuit defense costs and adverse rulings.

Research and Development

We invested significant time, resources and expenses into the research and development of our services. In particular, we designed and implemented the Aladdin system to handle ultra-large scale management and dispatching of hash calculations. The Aladdin system has the maximum capacity to simultaneously connect millions of miners and to provide services that resolve critical mining problems arising from scalability, efficiency, authenticity, and securing hash power.

The Aladdin system consists of three major components, including (i) the miner monitoring system, namely FuFu Sentry, (ii) the mining capacity slicing system, namely FuFu Proxy System, and (iii) the hash calculation dispatching engine, namely FuFu Dispatcher Engine. FuFu Sentry provides real-time monitoring, system alerts, data insights and automated operation functions, which allow our users to efficiently control the hash calculation status and facilitate their decision-making. FuFu Proxy System connects the miners and mining pools and is able to accurately submit the hash calculations of each miner to the mining pool, which enhances the precision of mining capacity slicing and transparency of hash calculation distribution. FuFu Dispatcher Engine distributes the protocols that apply the hash calculations and ensures the stable operation of the protocols.

Our leadership position in the global cloud-mining market is the result, in part, of our committed research and development activities. We are increasingly focused on research and development, and have increased compensation to our research and development staff, and other personnel performing related functions since 2021, resulting an increase in our research and development expenses from US\$1.6 million in 2022 to US\$1.7 million in 2023 and further to US\$5.6 million in 2024.

Sales and Marketing

We market our cloud-mining and hosting solutions primarily through word of mouth, press releases of our solutions and major collaboration with leading industry participants. We also advertise our available solutions and hosting capacity on our website, which is updated periodically for product launches, available mining and hosting capacity and other trend and development of the digital asset industry. Furthermore, we maintain an active presence on social media in order to raise awareness of our brand. We have not relied heavily on sales force for advertising and marketing of our cloud-mining and hosting solutions, as most of our customers approach us proactively.

Compliance Infrastructure

Risk Management Procedure

We are subject to various anti-money laundering and counter-terrorist financing laws in the United States and jurisdictions where we operate. Our compliance infrastructure is designed to prevent our platform from being used to facilitate money laundering, terrorist financing, and other illicit activity in countries, or with persons or entities, included on designated lists promulgated by OFAC and equivalent foreign authorities. We have developed, implemented, and maintained a know-your-customer ("KYC") procedure and a risk-based anti-money laundering program, including internal policies that require our employees to report suspicious activities and transactions, comply with reporting and recordkeeping requirements, and collect and maintain information about our customers.

When a new customer first places an order on our platform, such customer is required to go through the KYC procedure and to submit certain authentication information. For individual customers, we will collect personal identification information, such as name, nationality and address, to verify the identity of individual customers. We collect identification documents, including valid national identity card, passport or driver license with a photo issued by the relevant local government, and confirm the identification with a photo of the individual customer with the identification documents provided by such customer. We also verify that submitted documents are not tampered with by photoshop and performs background checks by using the Onfido system, which is a world-check intelligence database that delivers accurate and reliable information and offers tools to help meet due diligence obligations, including meeting requirements under KYC screening and anti-money laundering.

For corporate customers, we will collect information such as corporate registration records, business license and business address, among others, and conduct background search for corporate customers' major shareholders. Corporate customers must provide a valid certificate of incorporation & incumbency, and valid shareholders' identity documents if any shareholders have equal to or more than 20% shareholding in the corporate customers. Based on the documents provided by such corporate customers, we will check the existence of the customer on the relevant local government website to verify the authenticity of the documents provided. Similar to individual customers, we also perform KYC check for individual shareholders that have equal to or more than 20% shareholding in our corporate customers.

Our customer services team would review this information, and report any suspicious activities in accordance with applicable regulations. Only after the KYC procedure has been completed by us will customers be able to use our services. We have designated employees to be responsible for monitoring and reporting global sanctions information, updating and operating KYC and anti-money laundering procedure, and regularly checking and updating risk control rules. We will report suspicious, questionable transactions and corporate/personal information to regulatory authorities in accordance with regulatory requirements in the place where we operate. Anti-money laundering regulations are constantly evolving and vary from jurisdiction-to-jurisdiction. We continually monitor our compliance with anti-money laundering and counter-terrorist financing regulations and industry standards and implement policies, procedures, and controls in light of the most current legal requirements.

We do not provide cloud computing services to customers located in countries and regions that are subject to OFAC sanctions. Due to local regulatory policies and taxation considerations, we also currently do not accept order for our cloud-mining services from customers in mainland China, the United States and Singapore. Before customers can use our products and services, we require customers to confirm that the use of the services provided by us is legal in their country/region of residents. However, we may still be subject to investigation and enforcement action by regulators in these jurisdictions, to the extent that such regulators assert jurisdiction on digital assets and related transactions. See "Item 3. Key Information—D. Risk Factors—Risks Related to the Regulatory Framework—Assertion of jurisdiction by U.S. and foreign regulators, or other government entities over digital assets and digital asset industry may subject market participants, including us, to additional regulation and investigation."

Related Party Transaction Policy

We have adopted a written related person transaction policy setting forth the policies and procedures for the review and approval or ratification of its related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which it is a participant, in which the amount involved exceeds US\$120,000 in any fiscal year and a related person (including any director, executive officer or shareholder holding 5% of our or our subsidiaries' equity interest) has a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions,

our board of directors is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction.

Following the Business Combination, our related party transactions are reviewed and approved by an audit committee consisting entirely of independent directors. See "Item 6. Directors, Senior Management and Employees —C. Board Practices—Committees of the Board—Audit Committee."

Our Relationship with Bitmain

Bitmain is a world-leading cryptocurrency mining hardware manufacturer and a 5% shareholder of Finfront prior to consummation of the Business Combination. Pursuant to the Amended and Restated PIPE Subscription Agreement dated January 11, 2024, Bitmain purchased 4,000,000 Class A ordinary shares upon the consummation of the Business Combination. As of April 17, 2025, Bitmain beneficially owned 11,500,000 Class A ordinary shares, representing approximately 7.1% of our issued and outstanding ordinary shares.

We are a cloud-mining strategic partner of Bitmain. We are also a S-level client of Bitmain, the highest level among all of Bitmain's clients, which has provided us with certain transaction privileges. We entered into a two-years Framework Sales and Purchase Agreement with Bitmain in December 2024, pursuant to which to purchase from Bitmain up to 80,000 S-series miners (including but not limited to the S21 XP and S21 Pro). This framework agreement enables us to pay, at our option, part of the purchase price in our shares as well as the ability to defer part of cash payments interest-free after delivery of the miners. We also entered into a three-year Hashrate Service Agreement with Bitmain in September 2024, pursuant to which we will make orders from time to time to purchase hash calculation services. In addition, we rely on Bitmain in the provision of our hosting services. We entered into a ten-year Service Framework Agreement with Bitmain in December 2021, pursuant to which we can obtain 300 MW hosting capacity as well as stable, competitive power and hosting fee arrangements in mining hosting facilities across the world.

In 2022, 2023 and 2024, the aggregate cost attributable to the abovementioned agreements with Bitmain was approximately US\$83.9 million, US\$166.5 million and US\$177.2 million, respectively. In 2022, 2023 and 2024, such costs attributable to the abovementioned agreements with Bitmain, as a percentage of the total cost of our revenue, was approximately 52%, 61% and 41%, respectively. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with Bitmain and its affiliates." As of December 31, 2024, the majority of hosting facilities utilized by us were sourced by Bitmain. In 2022, 2023 and 2024, hosting cost (including electricity cost) attributed to Bitmain accounted for 95%, 84% and 52% of all hosting cost, respectively. We procured miners from Burdy during 2022 and has begun to develop other hosting facility suppliers since 2023. However, we currently rely on Bitmain to source most of our hosting facilities. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We rely on a limited number of suppliers to provide us with digital asset mining equipment, hosting facilities, and other products or services critical to our business operations. We may not be able to obtain such supplies at competitive prices during times of high demand, which could have a material adverse effect on our business, financial condition and results of operations."

Competition

The digital asset industry in which we operate is competitive, with an increasing number of participants in and new technologies introduced to the digital asset industry.

Our cloud-mining operations compete with other mining service providers that allow users to subscribe a fraction of larger digital asset mining capacities for a fee and enjoy the proportionate mining rewards, also known as hash calculation sharing services. We compete with other industry participants primarily on the service product design, pricing, anticipated return, quality and availability of cloud-mining services, and the stability and sufficiency of various supplies and resources supporting the provision the cloud-mining services.

For our hosting services, we compete with other industry participants primarily on hosting space and power supply and cost.

Our self-mining operations compete with mining operations throughout the world to complete new blocks in the blockchain and earn the reward in the form of an established unit of a digital asset. We compete with other industry participants on the basis of the total hash rate contributed by miners used for our self-mining business, the degree of mining difficulty, the efficiency of our mining operations, the fiat value of the mining reward, and obtain access to facilities for location of mining operations.

A significant percentage of mining equipment is manufactured by a single supplier and almost all mining equipment is provided by a small number of manufacturers. While miners of digital assets historically range from individual enthusiasts and entrepreneurs to large public company mining operations and large company mining hosting operations with dedicated mining facilities, the vast majority of mining is now undertaken and further trending towards large-scale, industrial mining farms. A mining pool is created when mining participants pool the processing power of their miners over a network and mine transactions together. Rewards are then distributed proportionately to the pool participants based on the work/hash power contributed to solving a block.

Several public companies (traded in the United States, Canada, and internationally), such as the following, may be considered competitors to us:

- Marathon Digital Holdings, Inc.;
- Riot Blockchain, Inc.;
- CleanSpark, Inc.;
- Hive Blockchain Technologies Inc.;
- Hut 8 Mining Corp.;
- Bitdeer Technologies Group;
- Bit Digital, Inc.; and
- Bitfarms Technologies Ltd.

The digital assets industry is a highly competitive and evolving industry and new competitors and/or emerging technologies could enter the market and affect our competitiveness in the future. Other market participants in the digital assets industry include investors and speculators, retail users transacting in digital assets, and service companies that provide a variety of services including buying, selling, payment processing and storing of digital assets. To continue to be successful, we will require sufficient additional capital to secure access to additional facilities, new available mining equipment and related infrastructure.

Intellectual Property

Intellectual property is an important aspect of our business, and we seek protection for our intellectual property as appropriate. To establish and protect our proprietary rights, we rely upon a combination of patent, copyright, trade secret and trademark laws and contractual restrictions such as confidentiality agreements, licenses and intellectual property assignment agreements.

As of the date of this annual report, we have five registered patents and three patents applications in process in various jurisdictions, including the United States, relating to technologies such as blockchain computing power supply, dispatching of blockchain hash calculations, mining capacity slicing and allocation, and hash calculation pricing and adjustment. We maintain a policy requiring our employees, contractors, consultants and other third parties to enter into confidentiality and proprietary rights agreements to control access to our proprietary information. These laws, procedures and restrictions provide only limited protection, and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. Furthermore, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States, and we therefore may be unable to protect our proprietary technology in certain jurisdictions. Moreover, our platform incorporates software components licensed to the general public under open-source software licenses. We obtain many components from software developed and released by contributors to independent open-source components of our platform. Open-source licenses grant licensees broad permissions to use, copy, modify and redistribute those open-source components of our platform. As a result, open-source development and licensing practices can limit the value of our software copyright assets.

We also have registered certain trademarks in various jurisdictions, including the United States. We continually review our development efforts to assess the existence and patentability of new intellectual property.

Seasonality

Our hash calculations are typically slightly lower in summer, as higher temperature tends to affect miner performance and cause electricity costs to raise. In addition, extreme weather condition in winter may negatively affect the operations of hosting facilities, which in turn affects miner performance.

Employees

All aspects of our business require specialized knowledge and technical skill. Such knowledge and skills include the areas of blockchain technology, research and development, digital asset marketing and operations, human resource management, data privacy, as well as legal compliance, finance and accounting. We believe that we have adequate personnel and resources with the specialized skills required to carry out our operations successfully. As of December 31, 2022, 2023 and 2024, we had 26, 29 and 34 full-time employees, who have been engaged by the subsidiaries of BitFuFu Inc. and primarily work in Singapore, the U.S. and UAE during employment terms.

None of our employees are represented by a labor union or covered by collective bargaining agreements, and we have not experienced any work stoppages.

The remuneration payable to our employees includes salaries and allowances. We determine employee remuneration based on factors primarily including industry standard, department operation requirement and work performance. In order to maintain the quality, knowledge and skills of our employees, we appreciate the importance of training to employees. We provide regular trainings to our employees, which include orientation training for new employees and continuing on-the-job training for existing employees. We believe we offer our employees competitive compensation packages and a dynamic work environment that encourages initiative and is based on merit. As a result, we have been able to attract and retain talented personnel and maintain a stable core management team.

We enter into standard labor and confidentiality agreements with all employees and non-compete agreements with our core employees. The non-compete restricted period typically expires six months after the termination of employment.

Facilities

Our corporate headquarters are located at 9 Temasek Boulevard, Suntec Tower 2, #13-01, Singapore 038989, where we lease approximately 1,500 square feet of commercial office space pursuant to operating leases that expire in January 2026. We lease all of our facilities and believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available on commercially reasonable terms to accommodate any such expansion of our operations.

In addition, we store miners in and have access to third-party facilities located at Ethiopia and several states in the United States, including Montana, Texas and Arkansas, among others. In aggregate, we had access to approximately 551 MW electricity capacity in facilities primarily located in five continents as of December 31, 2024.

Insurance

We provide pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees. We also maintain general third-party liability insurance, directors' and officers' liability insurance, and insurance coverage for our miners that we believe are in line with the industry practice. We currently do not maintain business interruption insurance, product liability insurance or key-man insurance.

Legal Proceedings

From time to time, we have been involved in legal proceedings or be subject to claims arising out of our operations. Except as disclosed in "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings," we are not presently a party to any litigation the outcome of which, we believe, if determined adversely against us, would individually or taken together have a material adverse effect on our business, financial condition and results of operations. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

Government Regulation

Due to the relatively short history of digital assets, and their emergence as a new asset class, government regulation of blockchain and digital assets has been constantly evolving worldwide, with increased interest expressed by the United States and other international government regulators. For example, the Cyber-Digital Task Force of the U.S. Department of Justice published a report titled "Cryptocurrency: An Enforcement Framework" in October 2020 that detailed the Department's view with respect to digital assets and the tools at the Department's disposal to deal with threats posed by digital assets. In March 2021, the nominee for Chair of the U.S. Securities and Exchange Commission expressed the need for investor protection along with promotion of innovation in the digital asset space.

In addition, various foreign jurisdictions either have adopted, or may adopt, laws, regulations or directives that affect digital assets, digital asset networks, and their users and participants. Such laws, regulations or directives may conflict with those of the United States, may negatively impact the acceptance of digital assets by users, merchants and service providers outside of the United States, and may therefore impede the growth of digital assets. A number of Eastern European and Asian countries currently have a more restrictive stance toward digital assets and, thereby, have reduced the rate of expansion of digital asset use, as well as digital asset transaction processing, in each of those countries.

Any restrictions imposed by a foreign government could force us to restructure operations, perhaps significantly, which could result in significant costs and inefficiencies that harm our profitability, or even cause us to cease operations in the applicable jurisdiction. Digital asset is a recent technological innovation and the regulatory schemes to which mining and trading digital asset may be subject have not been fully explored or developed by foreign jurisdictions. Thus, our operations face an uncertain regulatory landscape in many foreign jurisdictions.

United States

Government regulation of blockchain and digital assets is under active consideration by the United States federal government via its agencies and regulatory bodies. State and local regulations also may apply to our activities and other activities in which we may participate in the future. Other governmental or semi-governmental regulatory bodies have shown an interest in regulating or investigating companies engaged in blockchain or digital asset businesses. For instance, the SEC has taken an active role in regulating the use of public offerings of proprietary coins (so-called "initial coin offerings") and has made statements and official promulgations as to the status of certain digital assets as "securities" subject to regulation by the SEC. In addition, the state of New York passed a two-year moratorium in 2022, which restricts issuance of new permits for proof-of-work mining operations that are powered by an electric generating facility utilizing carbon-based fuel.

Starting from 2025, following the recent U.S. presidential election, the new administration has indicated a change in federal policy for digital asset development, focusing on promoting U.S. leadership in digital assets and financial technology while protecting economic liberty. For example, in January 2025, U.S. President Donald Trump issued an executive order forming a presidential working group to establish a clear regulatory framework for digital assets, and leaders in both houses of the U.S. Congress have announced a bicameral working group with the objective of passing legislation to provide regulatory clarity for the industry. Committees in both houses of the U.S. Congress have held hearings to ensure fair access to financial services, including for companies operating in the digital asset space. Additionally, in the same month, the SEC announced the formation of the Crypto Task Force, which is dedicated to helping develop a comprehensive and clear regulatory framework for crypto assets. In March 2025, President Trump signed another executive order to establish a Strategic Bitcoin Reserve and a U.S. Digital Asset Stockpile, positioning the United States as a leader among nations in government digital asset strategy.

We have placed Bitcoin miners in third-party hosting facilities in several states in the United States, including Montana, Texas, Arkansas, among others. We are not aware of any state specific regulations applicable to digital assets that affect our operations in the United States. Currently, we do not believe any U.S. or State regulatory body has taken any action or position adverse to our main digital asset, Bitcoin, with respect to our production, sale, and use as a medium of exchange. As the regulatory and legal environment evolves, we may become subject to new laws, such as further regulation by the SEC and other agencies, which may affect our mining and other activities.

The effect of any regulatory change, either by the Federal, state, local or foreign governments or any self-regulatory agencies on our operations is impossible to predict, but such change could be substantial and may have a material adverse effect on our business, financial condition and results of operations. While we are unaware of significant adverse governmental or regulatory action adverse to Bitcoin or Ethereum mining in the United States, there is no guarantee that future regulation or adverse action will not take place and interpretation of existing regulations in a manner adverse to our business is possible.

Singapore

Singapore generally has embraced digital assets and sought to create a permissive environment for their operations largely to attract foreign operators to its market. In November 2017, the Monetary Authority of Singapore ("MAS") issued a statement that tokens sold through the blockchain funding model may be considered securities under certain circumstances under Singapore law, and provided case studies as examples of tokens that do and do not constitute securities. However, an exchange platform facilitating secondary trading of cryptocurrency securities must be an approved exchange or market operator by the MAS.

In this regard, the MAS regulates seven types of payment services provided to consumers or merchants under the licensing framework of the Payment Services Act (Act 2 of 2019) ("PSA"). Entities that buy or sell Digital Payment Tokens ("DPT"), establish or operate a DPT exchange, or provide other DPT services are regulated under the PSA. Schedule 1 of the PSA states that a "digital payment token service" and "e-money issuance service" are both considered payment service under the PSA. Further, "digital payment tokens" include digital tokens that, among others, "is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt." MAS has provided the following examples in its "A Guide to Digital Token Offerings" (the "MAS Guide"): (i) digital tokens only used to pay for, for example, the provision of crowd-sourced hash calculations on a platform will not be considered a "digital payment token"; (ii) digital tokens that can be traded on a secondary market alone does not result in the digital token being construed as capital markets products under the SFA, but may be considered a "digital payment token" under the PSA if it is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt; and (iii) digital tokens issued to raise funds for the development of products and services by the issuer may be considered a "digital payment token," if this token is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt.

Under section 5 of the PSA, providers of "digital payment token services" would, among others, require a license as a "payment service provider," with such "payment service providers" to be licensed, where applicable as a "standard payment institution" or "major payment institution." In particular, section 6(4) of the PSA states that a person must have in force a Standard Payment Institution License ("SPI") or Major Payment Institution License ("MPI") to be entitled to carry on a business of providing "digital payment token service." In May 2020, the MAS updated its MAS Guide, stating that in general, the MAS "will examine the structure and characteristics of, including the rights attached to, a digital token in determining if the digital token is a type of capital markets products under the SFA," and that offers or issues of digital tokens may be regulated by MAS if the digital tokens are "capital markets products" as defined under the Securities and Futures Act (Cap 289) ("SFA"), which includes, among others, "securities" or units in a "collective investment scheme."

The following general observations, among others, were made in the MAS Guide regarding an offer of digital tokens that constitute "capital markets products" as defined under the SFA: (i) unless otherwise exempted, such offer must be made in or accompanied by a prospectus that is prepared in accordance with the SFA and is registered with MAS; (ii) where an offer is made in relation to units in a collective investment scheme ("CIS") as defined under the SFA, the CIS may be subject to authorization or recognition requirements under Singapore securities laws. In this respect, an "authorized" or a "recognized" CIS under the SFA must comply with certain investment restrictions and business conduct requirements; and (iii) with respect to intermediaries who facilitate offers or issues of such digital tokens, such persons may be required to hold a license to the extent that such activities are regulated by the SFA or the Financial Advisers Act (Chapter 110 of Singapore). Non-exhaustive examples of such persons include: (i) a person who operates a platform on which one or more offerors of such digital tokens may make primary offers or issues of such digital tokens; (ii) a person who provides financial advice in respect of such digital tokens; and (iii) a person who operates a platform at which such digital tokens are traded.

Further, a "payment service provider" will require a MPI if (i) it carries on a business of providing one or more of the listed payment services, which includes, among others, "account issuance service" (other than an e-money account issuance service), "cross-border money transfer service," or "digital payment token service"; and (ii) the average, over a calendar year, of the total value of all payment transactions that are accepted, processed or executed by such payment service provider in one month exceeds (a) S\$3 million (or its equivalent in a foreign currency), for any one of the payment services it provides, or (b) S\$6 million (or its equivalent in a foreign currency) for two or more payment services, in the event such payment service provider provides more than one payment service.

With regards to e-money, in a MAS Consultation Paper issued in December 2019 titled "Consultation on PSA: Scope of E-Money and DPT," "Money" is defined under the PSA "to include e-money but not DPTs." MAS noted that as e-money has fiat currency as its unit of account, there is a tight nexus between e-money and the predominant forms of money in the economy today (i.e. physical cash and bank deposits), and took the position that e-money is congruent with how money is traditionally viewed, while DPTs are new forms of payment instruments unable to fulfil the three main functions of money.

On March 7, 2022, the MAS updated its FAQ on PSA, in which the MAS stated that single currency stablecoins ("SCS") which satisfy certain characteristics are not considered to be pegged by its issuer to a currency and as such, are not considered "e-money" for the purposes of the PSA. Such characteristics include: (i) where the exchange rate of the SCS to the currency it references may vary, when used, traded or offered by third-party service providers; and (ii) holders of the SCS need not have a contractual relationship or an account with the issuer of the SCS, to use the SCS.

Other types of stablecoins that are not considered "e-money" for the purposes of the PSA include stablecoins whose values reference a basket of multiple currencies or other assets and stablecoins which aim to maintain stable values through algorithms that adjust the supply of the stablecoins in response to changes in demand. However, the MAS has cautioned that although such stablecoins may not meet the definition of "e-money" under the PSA, they may meet the definition of a "digital payment token" instead.

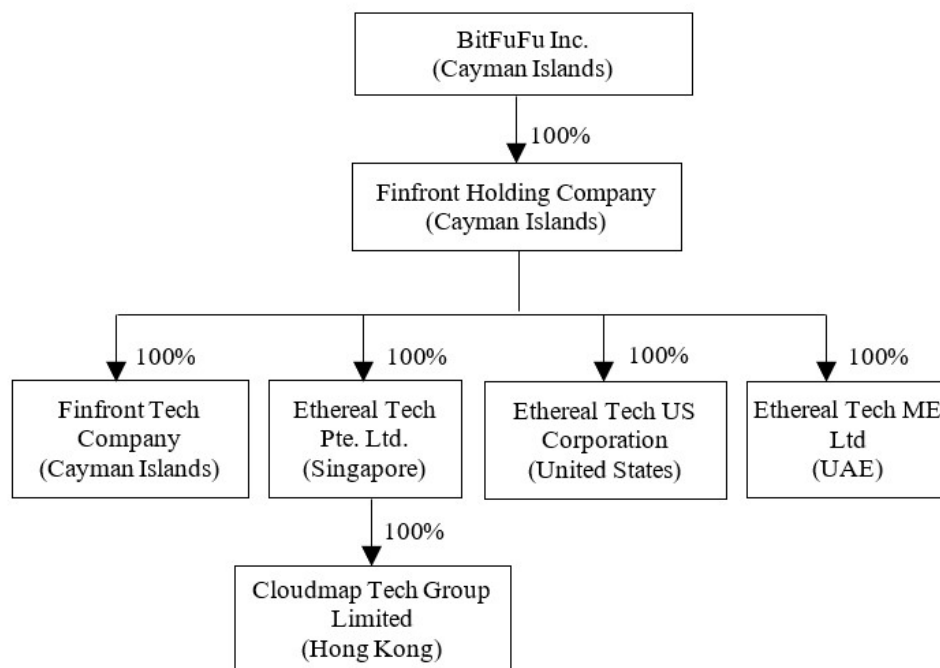
On July 21, 2020, the MAS issued a "Consultation Paper on the New Omnibus Act for the Financial Sector" proposing, among others, that entities in Singapore providing "digital token services" outside of Singapore require licensing under a new omnibus Act for the regulation of ML/CFT risks in the Singapore financial sector. Such licensing regime, if passed and brought into force, may require issuers of tokens or providers of "digital token services" based in Singapore to be licensed or exempted as "digital token service providers" under the proposed Omnibus Act, notwithstanding that they may be providing such "digital token services" solely to persons outside of Singapore.

We believe that the existing law governing the mining, licensing and transactions of digital assets may continue to evolve in Singapore.

C. Organizational Structure

Upon consummation of the Business Combination, Finfront became our wholly-owned subsidiary. The following diagram depicts a simplified organizational structure of the Company as of the date of this Report. These subsidiaries are also set forth in Exhibit 8.1 to this Report.

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D. Property, Plants and Equipment

Our corporate headquarters are located at 9 Temasek Boulevard, Suntec Tower 2, #13-01, Singapore 038989, where we lease approximately 1,500 square feet of commercial office space pursuant to operating leases that expire in January 2026. We lease all of our facilities and believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available on commercially reasonable terms to accommodate any such expansion of our operations.

In addition, we store miners in and has access to third-party facilities located at Ethiopia and several states in the United States, including Montana, Texas, Arkansas, among others. In aggregate, we had access to approximately 551 MW electricity capacity in facilities primarily located in five continents as of December 31, 2024.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Following the Business Combination, we conduct business through Finfront and its subsidiaries. You should read the following discussion and analysis of our

financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this Report. This discussion contains forward-looking statements that involve risks and uncertainties about our business and operations. The actual results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those we describe under "Item 3. Key Information—D. Risk Factors" and elsewhere in this Report. References to "we," "us," and "our" in this "Item 5. Operating and Financial Review and Prospects" are to Finfront and its subsidiaries before the consummation of the Business Combination, and BitFuFu Inc. and its subsidiaries after the consummation of the Business Combination.

A. Operating Results

Overview

We are a global leader at Bitcoin mining and comprehensive mining services, dedicated to fostering a secure, compliant, and transparent blockchain infrastructure. We make available a variety of stable and intelligent digital asset mining solutions, including one-stop cloud-mining services and miner hosting services to institutional customers and individual digital asset enthusiasts. In addition, we have access to a fleet of advanced Bitcoin miners for efficient cloud-mining service to our customers and self-mining for our own account, allowing us to seamlessly adjust business strategies and reduce risk exposure.

On February 29, 2024, we consummated the Business Combination with Arisz pursuant to the Merger Agreement. On March 1, 2024, our Class A ordinary shares and Warrants commenced trading on Nasdaq under the symbols "FUFU" and "FUFUW," respectively.

Major Factors Affecting Our Results of Operations

The growth and success of our business as well as our financial condition and results of operations have been, and will continue to be affected by a number of factors, including:

Price and market volatility of digital assets

Substantially all of our business is related to the mining of Bitcoin. Our revenue primarily comprises (i) service fees for cloud-mining solutions, (ii) proceeds from Bitcoin self-mining operations, (iii) service fees for miner hosting services, and (iv) to the extent that we engage in the sales, leasing and sourcing of the mining equipment, the sales and lease income of the mining equipment and sourcing commission. As such, our results of operations and financial condition are substantially affected by fluctuations and long-term trends in the value of Bitcoin and, to a lesser extent, other digital assets. The prices of digital assets, specifically Bitcoin, have experienced substantial volatility, with the high or low prices having little or no relationship to identifiable market forces. The value of digital assets is also subject to rapidly changing investor sentiment, and may be influenced by factors such as technology, regulatory void or changes, fraudulent actors, manipulation, and media reporting. Digital assets, in particular Bitcoin, may have value based on various factors, including their acceptance as a means of exchange by consumers and others, scarcity, and market demand. The bankruptcy proceedings in the digital asset industry have contributed in 2022 and 2023, at least in part, to cause price decreases in Bitcoin observed during those periods. For example, the price of Bitcoin varies between approximately US\$16,000 to approximately US\$46,000 in 2022, between approximately US\$17,000 to approximately US\$44,000 in 2023, approximately US\$42,000 to approximately US\$106,000 in 2024 and approximately US\$81,600 as of March 31, 2025. A significant and prolonged drop in Bitcoin price may reduce the demand for our cloud-mining services and adversely affect our profitability, and vice versa.

The fluctuations and longer-term trends in the value of Bitcoin and other digital assets also affect the price of miners that we purchase or lease from our suppliers, and the price of hash rate we purchased. A decrease in Bitcoin price is expected to allow us to expand our miner fleets and mining capacity at reasonable price, which may help us compensate potential operating loss associated with a drop in Bitcoin price. However, such hedging practice may not generate expected return. To the extent that we decide to monetize our digital asset holdings, our earning from the sale of digital assets is expected to be affected by the then prevailing market price of and demand for the relevant digital assets. A significant drop in the price of digital assets may also subject us to impairment loss for digital assets held for our own account. For example, we recorded impairment loss on digital assets of US\$12.9 million, US\$7.0 million and nil in 2022, 2023 and 2024, respectively when the price of Bitcoin dropped significantly against its carrying value. On the other hand, a significant growth in the price of Bitcoin contributed fair value gain of US\$37.6 million in 2024 after early adoption of the FASB's fair value accounting standard, ASU No. 2023-08, Accounting for and Disclosure of Crypto Assets. The market for digital assets is relatively new, rapidly evolving and subject to regulatory, tax, political and market factors beyond our control, which makes it difficult for us to predict the market trend of our digital assets.

Capacity and efficiency of miners

Our financial condition and profitability are affected by the capacity and efficiency of miners we lease from our suppliers or own to mine digital assets. Increases in hash rate of blockchain network of digital assets, especially that of Bitcoin, resulting from the growth in the overall quantity and quality of miners working to solve blocks on the blockchain, will generally lead to increases in mining difficulty, which would reduce the mining proceeds of the equipment proportionally, and eventually require miners to be upgraded to remain profitable. Further, reward rates for digital assets are subject to adjustments at predetermined intervals. For example, for Bitcoin, the reward was initially set at 50 Bitcoin currency rewards per block and this was cut in half to 25 on November 28, 2012 at block 210,000, to 12.5 on July 9, 2016 at block 420,000, to 6.25 on May 11, 2020 at block 630,000 and again to 3.125 on April 20, 2024 at block 840,000. These adjustments have had and will continue to have material effects on the economic viability of mining digital assets. We expect to invest in system and miner upgrades and in vertical integration of upstream mining facility resources to maintain our mining efficiency, which is expected to cause us to incur relevant costs and expenditure in the future.

Cost of revenues

Our ability to operate in a cost-efficient manner also depends on our access to stable supply of power on commercially reasonable terms. Cost of revenues, which is in line with the above revenue streams, mainly includes lease expense of mining equipment, depreciation expenses of self-own mining equipment, outsourcing fee, electricity and hosting fee, platform technology fee, web service fee, salaries, allocated overhead, purchase cost of mining equipment and sourcing expenses. Mining digital assets requires a significant amount of electricity, and increases in power costs and disruption of power supply will decrease our operating margins.

As the market value of digital assets has increased, the demand for the newest, most efficient miners has also increased, leading to scarcity in the supply of and thereby resulting increase in the price of miners. As a result, the cost of new equipment can be unpredictable, and could also be significantly higher than our historical cost for new miners. We may have to obtain miners and other hardware from suppliers at higher prices than expected. In addition, we rely on a limited number of suppliers for their provision of hash calculations, miners and hosting facilities, and such suppliers could increase their pricings due to factors beyond our control. Higher cost will adversely affect our profit margin if it is unable to pass the additional cost to our customers.

Ability to improve customer acquisition and retention and compete effectively

Our success also depends on our ability to retain and develop opportunities with existing customers and attract new customers. Our relationship with our major customers is critical to our success. In 2022, 2023 and 2024, sales to our top three customers accounted for 31%, 26% and 31% of our total revenue in the same periods, respectively. Our ability to maintain our existing customers and attract new customers is determined by a number of factors, including our pricing strategies, mining efficiencies, customer services and brand recognition. In addition, we compete with other companies that focus all or a portion of their operations on mining activities at scale for customers. We face significant competition in every aspect of our business, including, but not limited to, the acquisition of mining resources at reasonable costs, the ability to raise capital, access to energy sites with reliable sources of power, and technology capacity.

Regulatory environment

Our financial prospects and continued growth depend in part on our ability to continue to operate in a compliant manner with all rules and regulations. Our business is subject to the oversight of numerous regulatory agencies in Singapore, the United States, UAE and other jurisdictions where we currently develop or may develop business operations in the future. We are subject to significant uncertainties regarding future regulations pertaining to the holding, using or mining of Bitcoin and other digital assets in these jurisdictions. While Bitcoin and other digital assets have gradually gained more market acceptance in many countries, digital mining and blockchain transactions are anonymous and may be used for illegal transactions. Some jurisdictions have introduced restrictions over the uses of digital assets and the conversion between digital assets and fiat currencies or between digital assets. We plan to continue to invest in our finance, legal, compliance and security functions in order to comply with applicable regulations and remain at the forefront of digital asset regulatory trends. As the industry matures, we may experience fluctuations in our results of operations as a result of changes in the law and regulations that are applicable to our business, which may limit our ability to and offer solutions and services to customers across jurisdictions.

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Selected Operating Metrics

We have experienced rapid growth in the previous three financial years ended December 31, 2024. We have referred to the following operating metrics in evaluating our business performance:

Miner fleet

We have continued upgrading and expanding the miner fleets retained. While we primarily relied on Antminer S17 series in early 2021, we began to replace those with more advanced Antminer S19j pro series starting from the second quarter of 2021, and then replace S19j pro series with S19 XP series starting from November 2022. Starting from the second half of 2024, we began to deploy S21 series. As of December 31, 2024, all of the miners under our management were from Antminer S19 and S21 series, approximately 83% of which were from the Antminer S19 XP series and approximately 8% were from the Antminer S21 series, one of the most advanced miner series on the market. The energy efficiency of Antminer S19 XP is 21.5 J/T, and S21 series can reach an energy efficiency as low as 13.5 J/T. As of December 31, 2024, we have mining capacity of 23.5 EH/s, among which 20.3 EH/s were from suppliers or leased miners, 3.1 EH/s were from our self-owned miners, and 0.1 EH/s were from customers hosted miners.

Cloud-mining plan duration and customer retention

We primarily offer cloud-mining plans with a duration of 90, 120 or 180 days to differentiate ourselves from our competitors. These plans accounted for approximately 83%, 60% and 54% of our total cloud-mining revenue in 2022, 2023 and 2024, respectively. In 2022, 2023 and 2024, our recurring revenue for our cloud-mining service, defined as revenue attributable to customers placing orders more than once in a year, was approximately US\$96.6 million, US\$174.0 million and US\$209.0 million, respectively, accounting for 97.3%, 97.7% and 77.1% of our total cloud-mining revenue in the same periods, respectively. We had realized a net dollar retention rate of 117.1% for 2024 calculated by dividing the amount of recurring revenue in 2024 by the amount of revenue in 2023. The registered users of our cloud mining business increased from 188,460 as of December 31, 2022 to 304,270 as of December 31, 2023, and further to 591,751 as of December 31, 2024.

Key Components of Results of Operations

Revenues

We operate in a single segment that mainly includes: (i) providing cloud-mining services; (ii) Bitcoin self-mining; (iii) leasing of mining equipment; (iv) sourcing services for mining machine transactions; (v) selling of mining equipment; and (vi) providing mining machine hosting services.

In 2022, 2023 and 2024, our revenues were US\$198.2 million, US\$284.1 million and US\$463.3 million, respectively. The following table sets forth the breakdown of our revenues by business line both in absolute amount and as a percentage of the total revenues in the periods indicated.

	Year ended December 31,					
	2024		2023		2022	
	US\$ '000	%	US\$ '000	%	US\$ '000	%
Sale of cloud-mining solutions	271,036	58.5	178,044	62.7	99,392	50.1
Self-mining revenue	157,511	34.0	100,197	35.2	60,291	30.5
Selling of mining equipment	30,463	6.6	—	—	10,400	5.2
Leasing of mining equipment	—	—	—	—	1,336	0.7
Sourcing commission for mining equipment transactions	—	—	—	—	18,792	9.5
Hosting services and others	4,320	0.9	5,865	2.1	7,988	4.0
Total	463,330	100.0	284,106	100.0	198,199	100.0

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- Revenue from sale of cloud-mining solutions.** Revenue from sale of cloud-mining solutions is generally based on standard service agreements with our customers, including institutional customers and individual digital asset enthusiasts. Customers are generally charged an upfront service fee upon their subscription of services. We will charge customers subsequent service fees during the period of subscription, which can be paid at more flexible intervals before they are incurred. We also offer interest-bearing credit periods to some customers within the agreed service period, which requires Bitcoin as collaterals to secure the collection of accounts receivable. To provide cloud-mining services, we deploy miners sourced from our suppliers or miners owned by ourselves and further render these miners operational and remotely accessible by procuring mining equipment hosting service and other necessary infrastructure services from the same or other suppliers. We then repackage the services of providing hash calculations using these miners, and integrate them with other critical services such as performance monitoring, hash rate stabilization, and connection with mining pools. Thus, we create a one-stop mining capability that can be sold in the form of cloud-mining services. For details, see

- **Revenue from self-mining.** Revenue from self-mining represents our mining rewards distributed by the pool operators in exchange for the hash calculations performed by us for the mining pool. Under the Full-Pay-Per-Share method, which we have selected as our mining pool payout method, the mining pool confirms the amount of our Bitcoins payout each day at midnight UTC in exchange for the hash calculations performed by us to the mining pool in the previous 24 hours. The Bitcoin payout is settled on the following day, on a daily basis. We are entitled to compensation regardless of whether the mining pool operators successfully record a block to the Bitcoin blockchain. As of the date of this Report, we have received corresponding Bitcoins for 99% of our revenues from self-mining operations we recognized by performing valid hash calculations. For details, see "Item 4. Information On the Company—B. Business Overview—Business Model—Self-mining operations."
- **Revenue from selling of mining equipment.** Revenue from sales of mining equipment represents our sales income of the mining equipment that we first purchase from our suppliers and then sell to our customers.
- **Revenue from leasing of mining equipment.** Revenue from the leasing of mining equipment represents our lease income for the mining equipment that we first lease from our suppliers and then lease to our customers. We recognize the lease revenue over the lease term.
- **Revenue from sourcing commission for mining equipment transactions.** We act as an agent for facilitating the sales and purchase of the mining equipment, for which we charge a sourcing commission as a percentage of the purchase price of the mining equipment or as the net amount of consideration that we retain after paying the suppliers the consideration received from the customer in exchange for the mining equipment.
- **Revenue from hosting services and others.** Customers can entrust us to deploy the miners they own on the premises of hosting facility suppliers of us. Our customers retain the right to use the miners, and will pay us a set of service fees. We procure mining equipment hosting service, including data center rack space, electricity supply, network connectivity, hardware maintenance, and other necessary infrastructure services from the same or other suppliers, integrates these services with our own services such as performance monitoring and stability optimization into a combined hosting service, and sell the combined hosting service to our customers for service fees. Revenue from hosting services and others primarily consists of such service fees charged by us. For details, see "Item 4. Information On the Company—B. Business Overview—Business Model—Miner hosting services."

Cost of revenue

In 2022, 2023 and 2024, our cost of revenue was US\$162.0 million, US\$271.4 million and US\$433.6 million, respectively. The following table sets forth the breakdown of our cost of revenue by business line both in absolute amount and as a percentage of total cost of revenue in the periods indicated.

	Year ended December 31,					
	2024		2023		2022	
	US\$ '000	%	US\$ '000	%	US\$ '000	%
Sale of cloud-mining solutions	254,114	58.6	164,510	60.6	79,058	48.8
Self-mining revenue	147,281	33.9	101,381	37.4	59,278	36.6
Selling of mining equipment	27,978	6.5	—	—	10,142	6.3
Leasing of mining equipment	—	—	—	—	797	0.5
Sourcing commission for mining equipment transactions	—	—	—	—	4,910	3.0
Hosting services and others	4,235	1.0	5,502	2.0	7,782	4.8
Total	433,608	100.0	271,393	100.0	161,967	100.0

Gross profit

Our gross profit was US\$36.2 million, US\$12.7 million and US\$29.7 million in 2022, 2023 and 2024, respectively. Our gross profit margin was 18.3%, 4.5% and 6.4% in the same periods, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business line in the periods indicated.

	Year ended December 31,					
	2024		2023		2022	
	Gross profit/(loss) (US\$ '000)	Gross profit/(loss) margin (%)	Gross profit/(loss) (US\$ '000)	Gross profit/(loss) margin (%)	Gross profit/(loss) (US\$ '000)	Gross profit/(loss) margin (%)
Sale of cloud-mining solutions	16,922	6.2	13,534	7.6	20,334	20.5
Self-mining revenue	10,230	6.5	(1,184)	(1.2)	1,013	1.7
Selling of mining equipment	2,485	8.2	—	—	258	2.5
Leasing of mining equipment	—	—	—	—	539	40.3
Sourcing commission for mining equipment transactions	—	—	—	—	13,882	73.9
Hosting services and others	85	2.0	363	6.2	206	2.6
Total	29,722	6.4	12,713	4.5	36,232	18.3

Operating expenses/income

The following table sets forth our operating expenses/income, both in absolute amount and as a percentage of our total operating expenses/income, for the periods indicated.

Year ended December 31,

	2024		2023		2022	
	US\$ '000	%	US\$ '000	%	US\$ '000	%
Sales and marketing expenses	7,462	(20.5)	1,863	(48.3)	1,952	6.0
General and administrative expenses	25,271	(69.3)	3,682	(95.4)	2,736	8.5
Research and development expenses	5,600	(15.4)	1,741	(45.1)	1,564	4.8
Unrealized gain on digital assets	(37,604)	103.1	—	—	—	—
Unrealized loss on digital asset receivables or payables	1,320	(3.6)	—	—	—	—
Realized gain on digital asset borrowings	—	—	—	—	(4,206)	(13.0)
Credit loss provision for receivables	—	—	100	(2.6)	608	1.9
Gain on sale of recovery rights held by FTX	(7,270)	20.0	—	—	—	—
Impairment loss on assets held by FTX	—	—	—	—	9,827	30.4
Impairment loss on mining equipment	8,076	(22.1)	—	—	11,850	36.7
Impairment loss on digital assets	—	—	6,987	(181.1)	12,949	40.0
Realized gain on sales of digital assets	(39,329)	107.8	(18,231)	472.5	(4,948)	(15.3)
Total operating expense/(income)	(36,474)	100.0	(3,858)	100.0	32,332	100.0

Sales and marketing expenses

Our sales and marketing expenses were US\$2.0 million, US\$1.9 million and US\$7.5 million in 2022, 2023 and 2024, respectively, primarily representing (i) referral fees incurred in our sales and promotional activities; (ii) salaries and share-based compensations to our sales and marketing staff and other personnel performing related functions; and (iii) advertising and promotion fees to reach more customers.

General and administrative expenses

Our general and administrative expenses were US\$2.7 million, US\$3.7 million and US\$25.3 million in 2022, 2023 and 2024, respectively, primarily representing (i) salaries and share-based compensations to our administrative staff and management team, and other personnel performing related functions; and (ii) professional service expenses such as audit fees, consulting fees and legal fees.

Research and development expenses

Our research and development expenses were US\$1.6 million, US\$1.7 million and US\$5.6 million in 2022, 2023 and 2024, respectively, primarily representing salaries and share-based compensations paid to our research and development staff and other personnel performing related functions.

Realized fair value gain on digital asset borrowings

We entered into digital asset borrowing agreements with a third party to borrow 300 Bitcoins in total at an annual interest rate of 1% in February and March 2022, which were primarily used to supplement our working capital. The borrowings were due in June 2022. We fully repaid the Bitcoins in June 2022, and recognized a fair value gain on digital asset borrowings of US\$4.2 million in 2022 due to the changes in the Bitcoin spot price between the day of receiving and day of repaying the Bitcoins borrowed. We did not record realized fair value gain or loss on digital asset borrowings in 2023 and 2024.

Credit loss provision for receivables

Our accounts receivables balance consists of amounts due from its customers of cloud-mining business, mining equipment sales, and self-mining operations. We make provision for potentially uncollectable accounts under the current expected credit loss ("ECL") impairment model. The ECL impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, that considers forecasts of future economic conditions in addition to information about past events and current conditions, such as the age of the balance, collection history, and current economic trends.

Gain on sale of recovery rights / impairment loss on assets held by FTX

In November 2022, it was reported that the FTX cryptocurrency exchange, one of the largest cryptocurrency exchanges in the world, filed for voluntary Chapter 11 bankruptcy proceedings in the United States. As of the time of such bankruptcy filing, we deposited US\$2.1 million and 480 units of Bitcoin (with an equivalent value of US\$7.7 million after re-measurement using the carrying value of Bitcoin as of December 31, 2022) in our account maintained at FTX. Since the uncertain result of the bankruptcy proceeding of FTX, we have reclassified those fund and Bitcoin balances from cash or digital assets to custodian assets held by FTX and made full impairment on those balances. In 2024, we entered into a settlement agreement with a third party and sold our recovery rights to this counterparty on the assets held by FTX, recognizing a gain of US\$7.3 million.

Impairment loss on mining equipment

We recognize impairment of mining equipment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. During 2022, our operating performance was adversely affected by the challenging business climate, which included a decrease in the price of Bitcoin and a resulting decrease in the market price of miners. Furthermore, both primary and secondary market prices for ASIC miners of the type used by us in our business operations experienced significant declines from previous levels. Based on the impairment assessment, a testing indicated that the estimated fair value of the mining equipment was less than our net carrying value as of December 31, 2022 and an impairment charge of US\$11.9 million was recognized, decreasing the net carrying value of our mining equipment to their estimated fair value. In 2023, we did not record an impairment loss on mining equipment. However, in 2024, an impairment loss of US\$8.1 million was recognized reflecting a decline in expected future cash flows due to the Bitcoin halving cycle that occurred in April 2024.

Impairment loss on digital assets

We recognize impairment loss on digital assets in relation to Bitcoins held for our own account once an identical digital asset is bought and sold in the principal market at a price below its carrying value. We recorded impairment loss on digital assets of US\$12.9 million, US\$7.0 million and nil in 2022, 2023 and 2024, respectively whenever the fair value of the digital asset dropped against its carrying value.

Realized gain on sales of digital assets

We accumulate Bitcoin mined through its self-mining operation and exchange Bitcoin for fiat currencies at established cryptocurrency exchanges, such as Coinbase, to satisfy its working capital needs from time to time. We also receive other digital assets, such as Bitcoin (BTC), Ethereum (ETH), Bitcoin Cash (BCH) and Tether (USDT), as payments for its cloud mining service and hosting services. Digital assets that are received as service payments would be converted into USDT and then U.S. dollars. The difference between the cost of the sold digital assets and the fair value of the received digital assets in exchange or fiat currency is recognized as realized gain or loss on sales of

digital assets on the Consolidated Statements of Comprehensive Income. Realized gains or losses are recognized when digital assets are sold on an exchange for other digital assets, or for cash consideration using a first-in first-out method of accounting. We recognized realized gain on sales of digital assets of US\$4.9 million, US\$18.2 million and US\$39.3 million in 2022, 2023 and 2024, respectively.

Unrealized fair value gain on digital assets

Following the early adoption of Accounting Standards Update ("ASU") 2023-08, Accounting for and Disclosure of Crypto Assets, since January 1, 2024, digital assets held at period end are recorded at fair value, and changes in fair value are recognized in unrealized fair value gain or loss of digital assets, in Operating expenses on the Consolidated Statements of Comprehensive Income, as of December 31, 2024 and for the year then ended. During the year, we also recognized a \$37.6 million non-cash fair value gain on Bitcoin, under fair value accounting rules. This gain reflects the favorable mark-to-market adjustment of Bitcoin prices in the year.

Taxation

We recorded income tax credit of US\$0.7 million in 2022, income tax expenses of US\$2.2 million in 2023, and income tax expense of US\$7.7 million in 2024.

Cayman Islands

We are an exempted company incorporated in the Cayman Islands. The Cayman Islands currently levies no taxes on corporations based upon profits, income, gains or appreciation. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (as amended from time to time), or the Substance Act, together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. Under the Substance Act, if a company is considered to be a "relevant entity" and is conducting one or more of the nine "relevant activities" then that company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report in the Cayman Islands with the Companies Registry confirming whether or not it is carrying on any relevant activities and if it is, it must satisfy an economic substance test.

Singapore

Our headquarters is located in Singapore and one of our subsidiaries, Ethereal Singapore, is incorporated in Singapore. Ethereal Singapore is subject to Singapore profits tax rate of 17% for the year ended December 31, 2022, 2023 and 2024. Under the Income Tax Act (Cap. 134 of Singapore) ("ITA"), the prevailing corporate income tax rate is 17%, and a company's statutory income (for the purposes of determining assessable and chargeable income) is based on the full amount of its income for the year preceding the year of assessment ("YA").

Under section 43(1) of the ITA, every company will be taxed at the rate of 17% of chargeable income for each YA unless, amongst others, the company falls under: (a) the partial tax exemption in section 43(6A) of the ITA applicable to all companies save for Qualifying Companies (defined below) ("Partial Tax Exemption"); or (b) the tax exemption for "qualifying company[ies]" in section 43(6C) of the ITA ("Qualifying Companies") in their first three YAs, provided such YAs fall on or after YA 2008 ("Qualifying Company Tax Exemption").

Ethereal Singapore had been a dormant company from its incorporation in May 2018 to November 2021. From November 2021 onwards, Ethereal Singapore is subject to the 17% corporate income tax rate for each fiscal year, unless it falls within the aforementioned Partial Tax Exemptions or Qualifying Company Tax Exemption.

Under Singapore tax laws, we are exempted from Singapore income tax on its foreign sourced dividend income received in Singapore, provided that (i) such income is subject to income tax of a similar character under the laws of the jurisdiction from which such income is received at the time the income is received in Singapore; (ii) at the time the income is received in Singapore, the highest rate of such tax on any gains or profits from a trade or business carried on in such jurisdiction is not less than 15%; and (iii) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

United States

One of our subsidiaries, Ethereal Tech US Corporation, was incorporated in Delaware in December 2021 and started operations in February 2022. Ethereal US is subject to U.S. federal, state and local income taxes, if any. We evaluate our ability to recognize our deferred tax assets quarterly by considering all positive and negative evidence available as proscribed by the FASB under its general principles of ASC 740, Income Taxes.

United Arab Emirates

One of our subsidiaries, Ethereal Tech ME Limited ("Ethereal ME"), was incorporated in the UAE in August 2024. Ethereal ME is subject to UAE Corporate Tax, if applicable.

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to establish a federal corporate tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023, and has implications for financial statements for accounting periods beginning on or after this date. The Cabinet of Ministers Decision No. 116/2022 (published in December 2022 and effective from January 16, 2023) specifies that taxable income not exceeding AED 375,000 will be subject to a 0% UAE CT rate, while taxable income exceeding AED 375,000 will be subject to a 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered substantively enacted for the purposes of accounting for Income Taxes. The UAE CT Law shall apply to the Ethereal ME with effect from August 2024. The Ministry of Finance continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to clarify certain aspects of the UAE CT Law. Such Decisions, along with interpretive guidance from the UAE Federal Tax Authority, are essential for a comprehensive evaluation of the UAE CT Law's impact on Ethereal ME.

Results of Operations

The following table presents a condensed statement of operations for the periods indicated.

Year ended December 31,		
2024	2023	2022

	US\$ '000	US\$ '000	US\$ '000
Total revenues	463,330	284,106	198,199
Cost of revenues incurred to a related party	(177,162)	(166,541)	(83,878)
Cost of revenues incurred to third parties	(231,756)	(80,397)	(59,955)
Cost of revenues – depreciation and amortization	(24,690)	(24,455)	(18,134)
Total costs of revenues	(433,608)	(271,393)	(161,967)
Gross profit	29,722	12,713	36,232
Sales and marketing expenses	(7,462)	(1,863)	(1,952)
General and administrative expenses	(25,271)	(3,682)	(2,736)
Research and development expenses	(5,600)	(1,741)	(1,564)
Credit loss provision for receivables	—	(100)	(608)
Gain on sale of recovery rights on assets held by FTX	7,270	—	—
Impairment loss on assets held by FTX	—	—	(9,827)
Impairment loss on digital assets	—	(6,987)	(12,949)
Impairment loss on mining equipment	(8,076)	—	(11,850)
Unrealized loss on digital asset receivables or payables	(1,320)	—	—
Unrealized gain on digital assets	37,604	—	—
Realized gain on sales of digital assets	39,329	18,231	4,948
Realized fair value gain on digital asset borrowings	—	—	4,206
Total operating income/(expenses), net	36,474	3,858	(32,332)
Operating profit	66,196	16,571	3,900
Investment income	416	—	—
Interest expense	(6,328)	(5,535)	(2,517)
Interest income	1,624	1,055	343
Other income/(expense), net	(277)	587	50
Income before income taxes expenses	61,631	12,678	1,776
Income tax (expense)/benefit	(7,668)	(2,183)	666
Net income and total comprehensive income	53,963	10,495	2,442

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenues

Our revenues increased from US\$284.1 million in 2023 to US\$463.3 million in 2024, representing an increase of 63.1% mainly driven by the growth in both our cloud mining and self-mining operations.

Revenue from cloud-mining solutions increased from US\$178.0 million in 2023 to US\$271.0 million in 2024, representing an increase of 52.2%, primarily attributable to increases in repeat purchases of cloud-mining services from both existing customers and new customers acquired during the year of 2024 and increase in average selling price. In 2024, revenue from existing customers was US\$208.4 million and from new customers was US\$62.6 million, accounting for 76.9% and 23.1% of revenue from cloud-mining solutions, respectively. In 2023, revenue from existing customers was US\$138.9 million and new customers was US\$39.1 million, accounting for 78.0% and 22.0% of revenue from cloud-mining solutions, respectively.

Revenue from self-mining operations increased from US\$100.2 million in 2023 to US\$157.5 million in 2024, representing an increase of 57.2%, mainly due to an 77.2% year-over-year increase in the average hash rate used for self-mining operations and a 128.4% year-over-year increase in the annual average price of BTC, which was partially offset by a decrease in BTC output per tera-hash. Bitcoin production from self-mining operations decreased by 29.0% from 3,577 Bitcoins in 2023 to 2,537 Bitcoins in 2024.

Revenue from selling of mining equipment in 2024 was US\$30.5 million, while there was no such revenue in 2023. With the rise in BTC price during 2024, especially during the fourth quarter, the mining equipment transaction market became more active. We seized the opportunity and completed several sales transactions in the fourth quarter of 2024.

Revenue from miner hosting services and others decreased from US\$5.9 million in 2023 to US\$4.3 million in 2024, representing a decrease of 27.1%, primarily attributable to the termination of hosting services by certain customers.

We did not generate revenue from sourcing services for mining equipment or leasing services in 2023 and 2024, mainly due to our strategic shift towards the development of our cloud-mining business.

Cost of revenues

Our cost of revenues increased from US\$271.4 million in 2023 to US\$433.6 million in 2024, representing an increase of 59.8%. The increase was in line with the increase in our total revenue and was primarily due to costs associated with the expansion of our cloud-mining solutions and self-mining operations, as well as the resumption of selling of mining equipment in 2024.

Cost of revenues from cloud-mining solutions increased from US\$164.5 million in 2023 to US\$254.1 million in 2024, representing an increase of 54.5%. The increase was primarily due to the expansion of our cloud-mining operations and the increase in the procurement price of hash rate or leasing price of miners when BTC price grew in 2024.

Cost of revenues from self-mining operations increased from US\$101.4 million in 2023 to US\$147.3 million in 2024, representing an increase of 45.3%. The increase was mainly due to expansion of self-mining operations.

Cost of revenues from miner hosting services and others decrease from US\$5.5 million in 2023 to US\$4.3 million in 2024, representing a decrease of 21.8%, primarily to the termination of hosting services by certain customers.

Cost of revenues from sales of mining equipment was nil and US\$28.0 million in 2023 and 2024, respectively. The increase was in line with the occurrence of miner transactions during 2024, especially during the fourth quarter when the mining equipment transaction market became more active.

Cost of revenues from leasing of mining equipment and sourcing services for mining equipment sales were nil in 2023 and 2024, respectively, as we temporarily suspended these services as part of our strategic shift towards the development of our cloud-mining business.

Gross profit

Our gross profit increased from US\$12.7 million in 2023 to US\$29.7 million in 2024, and the gross profit margin increased from 4.5% in 2023 to 6.4% in 2024, mainly due to an increase in market price and the optimization of hosting costs.

The gross profit margin of our cloud-mining solutions decreased from 7.6% in 2023 to 6.2% in 2024, mainly as a result of lower pricing strategies implemented to attract new customers and promotion plans in 2024. The gross profit margin of our self-mining operations increased from negative 1.2% in 2023 to 6.5% in 2024, which was primarily attributable to the combined effect of (i) the increase in the price of bitcoin; (ii) the decline in bitcoin production due to the impact of halving events; and (iii) relocation of mining equipment from high-cost to low-cost hosting facilities.

Sales and marketing expenses

Our sales and marketing expenses increased significantly from US\$1.9 million in 2023 to US\$7.5 million in 2024, which was primarily due to share-based compensation expenses of US\$4.5 million in 2024, compared to no such expense in 2023.

General and administrative expenses

Our general and administrative expenses increased significantly from US\$3.7 million in 2023 to US\$25.3 million in 2024, mainly due to US\$17.6 million share-based compensation expenses which was nil during last year, along with a US\$2.3 million rise in legal and consulting expenses due to the expansion of our business development activities. Additionally, other expenses were incurred as a result of being a public company following BitFuFu's listing in March 2024.

Research and development expenses

Our research and development expenses increased significantly from US\$1.7 million in 2023 to US\$5.6 million in 2024. The increase was primarily due to share-based compensation expenses of US\$3.9 million compared to no such expense in 2023.

Impairment loss on digital assets

Impairment loss on digital assets in 2024 was nil, compared to an impairment loss of US\$7.0 million in 2023, primarily due to the early adoption of the FASB's fair value accounting standard, ASU No. 2023-08, Accounting for and Disclosure of Crypto Assets.

Impairment loss on mining equipment

We recognized an impairment loss on mining equipment of nil in 2023 and US\$8.1 million in 2024.

Unrealized gain on digital assets

Beginning from January 1, 2024, the Company implemented the early adoption of FASB fair value accounting rules, ASU No. 2023-08, Accounting for and Disclosure of Crypto Assets. The Company recognized a unrealized gain of US\$37.6 million on BTC, reflecting a favorable mark-to-market adjustment of BTC price in 2024.

Unrealized loss on digital asset receivables and payables

In 2024, we entered into borrowing arrangements with institutions that require us to pledge certain digital assets of us as collateral in connection with loans obtained. We also offered interest-bearing credit periods to some customers that require the customers to pledge digital assets as collateral. These arrangements resulted in the recognition of digital asset collateral receivable and obligation to return collateral digital assets, measured at fair value. We recognized a net loss of \$1.32 million for the fair value changes on the balance as of December 31, 2024. There were no such activities in the previous year.

Realized gain on sales of digital assets

Realized gain on sales of digital assets increased from US\$18.2 million in 2023 to US\$39.3 million in 2024, primarily due to the increase in the volume of BTC sold and the growth of BTC price in 2024.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenues

Our revenues increased from US\$198.2 million in 2022 to US\$284.1 million in 2023, representing an increase of 43.3%, primarily due to an increase in revenue from cloud-mining solutions and self-mining operations which was partially offset by the suspension of sales and leasing of mining equipment and sourcing services for mining equipment sales operations as part of our strategic shift towards the development of cloud-mining business in 2023.

Revenue from cloud-mining solutions increased from US\$99.4 million in 2022 to US\$178.0 million in 2023, representing an increase of 79.1%, primarily due to increases in repeat purchases of cloud-mining services from existing customers and new customers, and increase in average selling price. Revenue from existing customers was US\$138.9 million and new customers was US\$39.1 million in 2023, accounting for 78.0% and 22.0% of revenue from cloud-mining solutions, respectively. In 2022, revenue from existing customers was US\$66.0 million and new customers was US\$33.4 million, accounting for 66.4% and 33.6% of revenue from cloud-mining solutions, respectively.

Revenue from self-mining operations increased from US\$60.3 million in 2022 to US\$100.2 million in 2023, representing an increase of 66.2%, primarily due to an 88.4% year-over-year increase in the average hash rate used for self-mining operations and a 9.5% year-over-year increase in the annual average price of Bitcoin produced, which was partially offset by an increase in blockchain difficulty for Bitcoin mining resulting in a decrease in Bitcoin output per tera-hash. Bitcoin production from self-mining operations increased 26.6% to 3,577 Bitcoins in 2023, from 2,825 Bitcoins in 2022. Blockchain difficulty is a technical term in Bitcoin mining, which affects the unit mining output per tera hash. The higher of blockchain difficulty, the less Bitcoin will be produced by each hash rate unit.

Revenue from miner hosting services and others decreased from US\$8.0 million in 2022 to US\$5.9 million in 2023, representing a decrease of 26.3%, primarily due to the temporary suspension of hosted miners by customers seeking to limit mining losses during periods when Bitcoin prices were low.

We did not generate revenue from our sourcing services for mining equipment, leasing services or sales of mining equipment in 2023, as part of our strategic shift towards the development of our cloud-mining business. We generated US\$18.8 million, US\$1.3 million and US\$10.4 million from our sourcing services for mining equipment, leasing services and sales of mining equipment in 2022, respectively.

Cost of revenues

Our cost of revenues increased from US\$162.0 million in 2022 to US\$271.4 million in 2023, representing an increase of 67.5%, primarily due to costs associated with the expansion of our cloud-mining solutions and self-mining operations which was partially offset by a decrease in costs associated with hosting services and sourcing, leasing and sales of mining equipment.

Cost of revenues from cloud-mining solutions increased from US\$79.1 million in 2022 to US\$164.5 million in 2023, representing an increase of 108%, primarily due to associated costs with the expansion of our cloud-mining business.

Cost of revenues from self-mining operations increased from US\$59.3 million in 2022 to US\$101.4 million in 2023, representing an increase of 71.0%, primarily due to associated costs with the expansion of our self-mining business.

Cost of revenues from miner hosting services and others increased from US\$7.8 million in 2022 to US\$5.5 million in 2023, representing a decrease of 29.5%, primarily due to the temporary suspension of hosted miners by customers seeking to limit mining losses during periods when Bitcoin prices were low.

Cost of revenues from sales of mining equipment, leasing of mining equipment and sourcing services for mining equipment sales were nil in 2023, compared with US\$10.1 million, US\$0.8 million and US\$4.9 million in 2022, respectively, as we temporarily suspended these services as part of our strategic shift towards the development of our cloud-mining business.

Gross profit

Our gross profit decreased from US\$36.2 million in 2022 to US\$12.7 million in 2023, and the gross profit margin decreased from 18.3% in 2022 to 4.5% in 2023, primarily due to the decrease in the gross profit margin of cloud-mining solutions and the suspension of high margin business, including sourcing services for mining equipment sales.

The gross profit margin of cloud-mining solutions decreased from 20.5% in 2022 to 7.6% in 2023, primarily due to our competitive pricing strategies to increase the revenue and market shares of our cloud mining business. The gross profit margin of our cloud-mining solutions primarily depends on our sales price, the degree of market competition, lease cost of mining equipment, price of electricity fee, and the agreed service period of orders and timing of orders.

Sales and marketing expenses

Our sales and marketing expenses decreased from US\$2.0 million in 2022 to US\$1.9 million in 2023. The decrease was primarily driven by an increase in market demand which partially reduced the need for advertising and promotional campaigns.

General and administrative expenses

Our general and administrative expenses increased from US\$2.7 million in 2022 to US\$3.7 million in 2023, representing an increase of 37.0%, primarily due to a US\$0.5 million increase in payroll costs associated with the recruiting of additional talent and a US\$0.3 million increase in consulting expenses associated with our business development.

Research and development expenses

Our research and development expenses increased from US\$1.6 million in 2022 to US\$1.7 million in 2023, primarily due to an increase in payroll costs of technical and development employees.

Impairment loss on assets held by FTX

There was no impairment loss on assets held by FTX in 2023. As of the time of FTX's bankruptcy filing in November 2022, we deposited US\$2.1 million and 480 units of Bitcoin in our account maintained at FTX. Since the uncertain result of the bankruptcy proceeding of FTX, we reclassified those fund and Bitcoin balances from cash or digital assets to custodian assets held by FTX and made full impairment on those balances, and recognized impairment loss on assets held by FTX of US\$9.8 million in 2022.

Impairment loss on digital assets

Impairment loss on digital assets in 2023 was US\$7.0 million, representing a decrease of 45.7% from US\$12.9 million in 2022, primarily driven by the increase in Bitcoin prices during 2023. We calculated impairment on digital assets whenever the carrying value of our digital assets exceeds the fair value of the digital assets on a daily basis.

Impairment loss on mining equipment

In 2022, our operating performance was adversely affected by the challenging business climate, which included a decrease in the price of Bitcoin and a resulting decrease in the market price of miners. Furthermore, both primary and secondary market prices for ASIC miners of the type used by us in our business operations experienced significant declines from previous levels. As a result, we recognized an impairment loss on mining equipment of US\$11.9 million in 2022, and no such impairment loss was recognized in 2023.

Realized fair value gain on digital asset borrowings

We recorded US\$4.2 million realized gain for the fair value changes of digital asset borrowings for 2022 due to the changes in the Bitcoin spot price between the day of receiving and day of repaying the Bitcoins borrowed. We did not record similar gain or losses for 2023, as we did not have such digital asset borrowings during that period.

Realized gain on sales of digital assets

Realized gain on sales of digital assets increased significantly from US\$4.9 million in 2022 to US\$18.2 million in 2023, primarily due to a 50% year-over-year increase in the amount of BTC sold in 2023 and an increase in the difference between the selling price and the carrying value of Bitcoin sold in 2023 driven by the increase in Bitcoin price during the second half of 2023 when the sales were made.

B. Liquidity and Capital Resources

To date, we have financed our operations primarily through cash generated from operations and equity and debt financing. We continue to have access to several sources of liquidity to supplement cash flow from operations, including private debt and equity capital markets, secured borrowing, equipment financing and digital asset-based financing. In the near term, we expect to continue to ramp up investing activities as it expands our miner fleets, integrates the upstream mining facility resources and scales up our operations. Proceed from the Business Combination fortifies our balance sheet.

As of December 31, 2024, excluding restricted cash, we held cash and cash equivalents of US\$38.2 million, 97.3% of which were held at commercial banks in Singapore, and 1.2% of which were held at commercial banks in the UAE and 1.5% of which were held at commercial banks in the United States. We are not aware of any regulatory restrictions under the laws of Singapore and the UAE that would limit our ability to transfer cash to our overseas operating entities.

On February 29, 2024, we closed the Business Combination. In connection with the Business Combination, holders of 2,287,657 shares of Arisz Common Stock exercised their right to redeem their shares for cash at a redemption price of approximately US\$11.14 per share, for an aggregate redemption amount of approximately US\$25.4 million, representing approximately 96.0% of the total outstanding shares of Arisz Common Stock then held by public stockholders. Given a significant number of Arisz public stockholders elected to redeem the Arisz Common Stock in connection with the Business Combination, the gross proceeds to us from the Business Combination accordingly reduced to approximately US\$1.0 million, and we raised US\$74 million in PIPE, which amounted to US\$75 million in gross proceeds.

We believe that our existing cash and cash equivalents, anticipated cash flows from operating and financing activities and cash inflow from the Business Combination will be sufficient to meet our anticipated working capital requirements, and capital expenditures in the ordinary course of business for the next 12 months from the date of this Report. We may, however, require additional cash resources due to changing business conditions or other future developments, including purchase of new miners. If our existing cash resources are insufficient to meet our requirements, we may seek to issue equity or debt securities or obtain credit facilities. The issue of additional equity securities would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in the amounts it needs or on terms acceptable to it, if at all. If we are unable to obtain additional equity or debt financing as required, our business operations and prospects may suffer. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Operations—Our business is capital intensive, and failure to obtain the necessary capital when needed may force us to delay, limit or terminate our expansion efforts or other operations, which could have a material adverse effect on our business, financial condition and results of operations."

Cash Flows Summary

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,		
	2024	2023	2022
	US\$ '000	US\$ '000	US\$ '000
Net cash used in operating activities	(219,874)	(195,970)	(7,444)
Net cash provided by investing activities	167,933	176,896	56,674
Net cash provided by/(used in) financing activities	65,047	(9,352)	(2,111)
Net change in cash and cash equivalents	13,106	(28,426)	47,119
Cash and cash equivalents, including restricted cash, at beginning of year	32,005	60,431	13,312
Cash and cash equivalents, including restricted cash, at end of year	45,111	32,005	60,431
Supplemental non-cash operating activities			
Net digital assets provided by operating activities	258,403	212,931	86,109
Supplemental non-cash investing activities			
Net digital assets used in investing activities	(213,827)	(176,964)	(82,025)
Supplemental non-cash financing activities			
Purchases of equipment included in long-term payable	—	—	109,435
Proceeds from long-term loans	34,950	—	—

Operating activities

Our net cash used in operating activities was US\$219.9 million in 2024, primarily due to our net income of US\$54.0 million, as adjusted by certain non-cash items, including (i) net income received or to be received by digital assets of US\$195.7 million and realized gain on sales of digital assets of US\$ 39.3 million; and (ii) unrealized fair value gain of digital assets of US\$37.6 million, partially offset by non-cash items including depreciation of mining equipment of US\$24.7 million and Share-based compensation expense of US\$26.1 million and changes in operating assets and liabilities.

Our net cash used in operating activities was US\$196.0 million in 2023, primarily due to our net income of US\$10.5 million, as adjusted by certain non-cash items, including (i) net income received or to be received by digital assets of US\$183.1 million and realized gain on sales of digital assets of US\$18.2 million; and (ii) changes in operating assets and liabilities that negatively affected our cash flows, primarily consisted of a decrease in amount due to a related party of US\$36.9 million, partially offset by non-cash items including depreciation of mining equipment of US\$24.5 million and impairment loss on digital assets of US\$7.0 million.

Our net cash used in operating activities was US\$7.4 million in 2022, primarily due to our net income of US\$2.4 million, as adjusted by certain non-cash items, including (i) net income received or to be received by digital assets of US\$101.0 million, realized fair value gain on digital asset borrowings of US\$4.2 million, and realized gain on sales of digital assets of US\$4.9 million; (ii) impairment loss on assets held by FTX of US\$9.8 million, impairment loss on mining equipment of US\$11.8 million, impairment loss on digital assets of US\$12.9 million and depreciation of mining equipment of US\$18.1 million; and (iii) changes in operating assets and liabilities that positively affected our cash flows, primarily consisted of an increase in amount due to a related party of US\$132.8 million and tax payables of US\$4.1 million, partially offset by a decrease in customer deposit liabilities of US\$75.3 million and contract liabilities of US\$8.1 million.

Investing activities

Our net cash provided by investing activities was US\$167.9 million in 2024, primarily due to net proceeds from sales of digital assets of US\$184.8 million, representing the exchange from USDT and BTC to U.S. dollars, and partially offset by purchase of digital assets of US\$16.8 million, representing our purchases of USDT and BTC.

Our net cash provided by investing activities was US\$176.9 million in 2023, primarily due to net proceeds from sales of digital assets of US\$222.4 million representing the exchange from USDT and BTC to U.S. dollars, and partially offset by purchase of digital assets of US\$45.4 million, representing our purchases of USDT and BTC.

Our net cash provided by investing activities was US\$56.7 million in 2022, primarily due to net proceeds from sales of digital assets of US\$71.4 million representing the exchange from USDT and BTC to U.S. dollars, partially offset by (i) the purchase of digital assets of US\$10.8 million in connection with exchange from U.S. dollars to USDT, and (ii) the purchase of equipment of US\$3.9 million.

Financing activities

Our net cash provided by financing activities was US\$65.0 million in 2024, primarily due to proceeds from PIPE investments.

Our net cash used in financing activities was US\$9.4 million in 2023, primarily due to repayment of long-term payables of US\$7.0 million and payment of deferred offering costs of US\$2.4 million.

Our net cash used in financing activities was US\$2.1 million in 2022, primarily due to subscription proceeds from issuance of ordinary shares of US\$1.6 million, partially offset by payment for deferred offering costs of US\$1.7 million and purchasing treasury shares of US\$2.0 million.

Capital Expenditure

Our capital expenditures are incurred primarily in connection with purchase of equipment. Our capital expenditures in cash were US\$3.9 million, US\$66,736 and US\$6.9 million in 2022, 2023 and 2024, respectively.

In 2022, we purchased miners from Burdy Technology Limited and its affiliate in installments. The purchase price is dominated in U.S. dollars and we can elect to pay in USDT. In 2022, we paid 20% of the total purchase price, part of which was paid in USDT, amounting to US\$21.5 million and was presented in the non-cash investing activities of the consolidated cash flows; and part of which was paid in U.S. dollars, amounting to US\$3.9 million and was presented in the investing activities of the consolidated cash flows. The unpaid balance was included in the non-cash financing activities of the consolidated cash flows in 2022. We expect to fund our future capital expenditures with our existing cash balance, equity and debt financing, and proceed from the Business Combination, as well as digital assets where feasible.

Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our securities and classified as shareholders' equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engage in leasing, hedging or research and development services with us.

We do not currently have any outstanding off-balance sheet arrangements or commitments. We have no plans to enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships established for the purpose of facilitating off-balance sheet arrangements or commitments.

Recent Accounting Pronouncements

For a discussion of new accounting standards relevant to our business, refer to Note 2 to our consolidated financial statements included in this Report.

C. Research and Development, Patents and Licenses, etc.

See "Item 4. Information on the Company—B. Business Overview—Research and Development" and "—Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this Report, we are not aware of any trends, uncertainties, demands, commitments or events for the period since January 1, 2025 that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepared the consolidated financial statements in accordance with U.S. GAAP. When reviewing our financial statements, you should consider our selection of critical accounting policies, judgments and other uncertainties affecting our applications of those policies and the sensitivity of reported results to changes of such policies, judgments and uncertainties.

We believe the accounting policies, such as (i) revenue recognition and (ii) digital assets, involve the most significant judgments and estimates used in the preparation of our financial statements. You should read the descriptions of critical accounting policies, judgments and estimates in our consolidated financial statements and other disclosures included in this Report.

The following accounting estimates relate to the significant areas involving management's judgments and estimates in the preparation of our financial statements, and are those that it believes are the most critical to aid the understanding and evaluation of this management discussion and analysis:

Long-lived Assets

We have long-lived assets that consist primarily of equipment stated at cost, net of accumulated depreciation and accumulated impairment loss. The depreciation charge is calculated on a straight-line basis and depends on the estimated useful lives of the mining equipment. Our mining equipment is primarily digital asset mining rigs, which are largely homogeneous and have the same useful lives. We update the estimated useful lives of our mining equipment periodically as information on the operations of the mining rigs indicate changes are required. We re-assess the estimated useful lives of our mining equipment when there are indicators that the productivity of the mining assets is higher or lower than the assigned estimated useful lives.

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. Recoverability of assets is measured by comparing their carrying amount to the undiscounted future cash flows expected to be generated thereby. If such assets are not recoverable based on that test, impairment is recorded in the amount by which the carrying amount of the assets exceeds their fair value as determined in accordance with Accounting Standard Codification ("ASC") 820.

Income Taxes

The primary objectives of accounting for income taxes are to recognize the amount of income taxes payable for the current year, and to recognize deferred tax liabilities and assets for future tax consequences of events that have been recognized in our financial statements. We account for income taxes in accordance with ASC 740 - Income Taxes, using the asset and liability method. Under this method, deferred tax assets and liabilities are calculated based on enacted tax rates in the respective jurisdiction and are recognized for expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities and operating losses and tax credit carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period. Management makes assumptions, judgments and estimates to determine the income tax benefit or expense and deferred tax assets and liabilities. We recognize tax positions when they are more likely than not to be sustained. Recognized tax positions are measured at the largest amount of benefit greater than 50% likely of being realized. Each period, we evaluate tax positions and adjust related tax assets and liabilities in light of changing facts and circumstances.

Non-GAAP Financial Measures

To supplement our consolidated financial statements which are presented in accordance with U.S. GAAP, we use adjusted EBITDA as an additional non-GAAP financial measure. We define adjusted EBITDA as (i) GAAP net profit/loss, plus (ii) adjustments to add back interest expense/(income), income tax expense/(benefit), depreciation and amortization; and (iii) adjustments for non-recurring items, if any. We present this non-GAAP financial measure because our management uses it to evaluate our performance. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating the consolidated financial results in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

This non-GAAP financial measure adjusts for the impact of items that we do not consider indicative of the operational performance of our business and should not be considered in isolation or construed as an alternative to net profit/loss or any other measure of performance or as an indicator of our future performance. Investors are encouraged to compare this historical non-GAAP financial measure with the most directly comparable U.S. GAAP measures. Adjusted EBITDA presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

The following table sets forth a reconciliation of our adjusted EBITDA to net profit/loss for the periods indicated.

	Year ended December 31,		
	2024	2023	2022
	US\$ '000	US\$ '000	US\$ '000
Net profit	53,963	10,495	2,442
Add: Interest expenses/(income), net	4,704	4,480	2,174
Add: Income tax expense/(benefit)	7,668	2,183	(666)
Add: Depreciation	24,733	24,501	18,157
Add: Impairment loss on mining equipment	8,076	—	11,850
Add: Share-based Compensation	26,065	—	—
Add: Impairment loss on assets held by FTX	—	—	9,827
Minus: Realized fair value gain on digital asset borrowings	—	—	(4,206)
Minus: Gain on sale of recovery rights on assets held by FTX	(7,270)	—	—
Adjusted EBITDA	117,939	41,659	39,578

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this Report. The business address of our directors and executive officers is 9 Temasek Boulevard, Suntec Tower 2, #13-01, Singapore 038989.

Directors and Executive Officers	Age	Position/Title
Leo Lu	44	Chief Executive Officer and Chairman of the Board of Directors
Calla Zhao	41	Chief Financial Officer
Celine Lu	42	Director and Senior Vice President
Huaiyu Liu	53	Independent Director
Yeeli Hua Zheng	54	Independent Director
Joshua Kewei Cui	40	Independent Director

Mr. Leo Lu is our founder and has served as our chief executive officer and director since July 2021, and has served as our chairman of the board since February 2024. Prior to founding Bitfufu, Mr. Lu was a business director of Bitmain from July 2018 to November 2019, where he was responsible for co-founding Bitmain's cloud-mining department, designing cloud-mining pricing model, and developing digital asset-related products. From November 2015 to July 2018, Mr. Lu was the general manager of information service department of the China Financial Assets Exchange (CFAE.cn). Mr. Lu received a bachelor's degrees of computer science and technology from University of Electronic Science and Technology of China.

Ms. Calla Zhao has served as our chief financial officer since May 2024, and served as our financial controller from September 2021 to May 2024. Prior to joining Bitfufu, Ms. Zhao served as the financial controller and head of finance at GGG Limited, an investment division of a conglomerate, from 2017 to 2021. She worked as an auditor at KPMG Huazhen LLP from 2005 to 2011. Ms. Zhao graduated from Peking University with a bachelor's degree in accounting.

Ms. Celine Lu has served as our director since February 2024 and as our senior vice president since November 2022. From September 2018 to March 2020, Ms. Lu worked

at Bitmain, where she founded and was responsible for Bitmain's digital assets mining service business. From January 2011 to September 2018, Ms. Lu served as the managing director of gaming business of 360 Security Technology Inc. (SHEX: 601360), where she oversaw its strategic investments, business operations and project innovations. From July 2004 to December 2009, Ms. Lu served at several positions at Tencent Holdings Ltd. (HKEX: 700), including strategic analyst, operational analyst and product development officer. Ms. Lu received a bachelor's degree of computer science and technology from the University of Electronic Science and Technology of China.

Mr. Huaiyu Liu has served as our independent director since August 2024. Mr. Liu has served as the chief financial officer of YNBY International Limited (HKEX: 00030) since June 2022, and as the company secretary since August 2022. He also has served as an independent non-executive director, the chairman of the audit committee and the chairman of the remuneration committee of Kafelaku Coffee Holding Limited (HKEX: 01869) since November 2023. Mr. Liu has over 25 years of experience in finance and management, and had previously held senior posts with several other publicly listed companies, including as the chief financial officer of VI Group Limited from November 2018 to August 2019, as an executive director, executive vice president and company secretary of Chiho Environmental Group Limited from October 2016 to April 2017, and as an executive director and the chief financial officer of Xinyuan Real Estate Company Limited from April 2015 to September 2016. Mr. Liu holds a degree of master of business administration from Cornell University, and a degree of bachelor of economics from Shenzhen University in China. He is a member of the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants in England and Wales.

Ms. Yeeli Hua Zheng has served as our independent director since February 2024. Ms. Zheng served as the head of NASDAQ Group's China practice from 2009 to 2019, where she was in charge of Chinese firms' listing on Nasdaq. Prior to that, Ms. Zheng was an executive director for NYSE Euronext for five years. Ms. Zheng was a junior partner at Pivotal Assets before joining in NYSE Euronext in 2005. Before her career in Wall Street, Ms. Zheng was a senior advisor on China Economy and Business at the Executive Office of Kofi Anan, then Secretary General of the United Nations. Ms. Zheng focused on international economy study and graduated from Harvard University Kennedy School of Government with a MPA in 2001.

Mr. Joshua Kewei Cui has served as our independent director since August 2024. Mr. Cui has served as a co-founder and executive director of SOCC Capital Consultancy Pte Ltd, a regional corporate and advisory firm based in Singapore, specializing in corporate finance and reporting compliance services since April 2022. Mr. Cui has also served as an independent director and a member of the audit committee of GCL Global Holdings Ltd. (Nasdaq: GCL) since February 2025. From June 2022 to September 2023, Mr. Cui served as the chief financial officer of Ohmyhome Ltd (Nasdaq: OMH), and in such capacity, was primarily responsible for the overall accounting and financial management, project management, strategic planning, and internal control of that company. Prior to that, Mr. Cui served as the chief financial officer of K2 F&B Holdings Limited (HKEX: 02108) from August 2018 to July 2021, and as the financial controller from May 2017 to August 2018, where he was principally responsible for overall accounting and financial management, project management, strategic planning and internal control of that company. Mr. Cui began his career in auditing at one of the international accounting firms. He has more than a decade of finance and accounting related experience covering external audit, internal control and financial reporting in various industries. Mr. Cui graduated from Oxford Brookes University in the United Kingdom with a bachelor of science degree in applied accounting in July 2007. Mr. Cui has been a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore) since December 2010.

Family Relationship

There is no familial relationship among our directors and executive officers.

Employment Agreements

We have entered into employment agreements with each of our executive officers for a specified time period provided that the agreements are terminable for cause at any time. The terms of these agreements are substantially similar to each other. An executive officer may terminate his or her employment at any time by prior written notice. We may terminate an executive officer's employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as bankruptcy, act of dishonesty or fraud, conviction of criminal offence, breach of law or misconduct or negligence in the discharge of duties.

Each executive officer has agreed to hold in strict confidence and not to use, except for our benefit, any proprietary information, technical data, trade secrets and know-how of our company or the confidential or proprietary information of any third party, including our subsidiaries and clients, received by us. Each of these executive officers has also agreed to be bound by noncompetition and non-solicitation restrictions during the term of his or her employment and typically for six months following the last date of employment.

B. Compensation

For the year ended December 31, 2024, we paid aggregate cash compensation of approximately US\$0.86 million to our directors and executive officers as a group. We do not pay or set aside any amounts for pensions, retirement or other benefits for our directors and executive officers.

2022 Share Incentive Plan

Upon the completion of the Business Combination, we assumed the 2022 share incentive plan of Finfront to motivate, attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of our business. Under the 2022 share incentive plan (the "2022 Share Incentive Plan"), the maximum aggregate number of Ordinary Shares which may be issued pursuant to all awards under such plan is 7,500,000, or the award pool. KASTLE LIMITED, a company incorporated in Hong Kong ("Trustee"), was engaged as the trustee of employee benefit trusts to administer share awards to be granted under the 2022 Share Incentive Plan. As of December 31, 2024, 6,512,781 restricted shares had been granted under the 2022 Share Incentive Plan, with 10,919 restricted shares forfeited.

The following paragraphs summarize the principal terms of the 2022 Share Incentive Plan.

Types of awards. The 2022 Share Incentive Plan permits the awards of options, restricted shares, restricted share units or any other type of awards approved by our board of directors or compensation committee of the board, or the committee.

Plan administration. Our board of directors or the committee administers the 2022 Share Incentive Plan. The board or the committee determines, among other things, the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each award grant.

Award agreement. Awards granted under the 2022 Share Incentive Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event of the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to our employees, directors and consultants.

Vesting schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

Exercise of awards. The exercise price per share subject to an option is determined by the plan administrator and set forth in the award agreement, which may be a fixed price or a variable price related to the fair market value of the shares. The vested portion of option will expire if not exercised prior to the time as the plan administrator determines at the time of its grant.

Transfer restrictions. Awards may not be transferred in any manner by the eligible participant other than in accordance with the limited exceptions, such as transfers to us or our subsidiaries, transfers to the immediate family members of the participant by gift, the designation of a beneficiary to receive benefits if the participant dies, permitted transfers or exercises on behalf of the participant by the participant's duly authorized legal representative if the participant has suffered a disability, or, subject to the prior approval of the plan administrator or of our executive officer or director authorized by the plan administrator, transfers to one or more natural persons who are the participant's family members or entities owned and controlled by the participant and/or the participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the participant and/or the participant's family members, or to such other persons or entities as may be expressly approved by the plan administrator, pursuant to such conditions and procedures as the plan administrator may establish.

Termination and amendment. Unless terminated earlier, the 2022 Share Incentive Plan has a term of ten years. Our board of directors may terminate, amend or modify the plan, subject to limitations of applicable laws. However, no such action may adversely affect in any material way any award previously granted without prior written consent of the participant.

The following table summarizes the number of restricted shares that we granted to our directors and executive officers as of December 31, 2024.

Name	Number of Restricted Shares	Date of Grant
Leo Lu	—	—
Calla Zhao	*(1)	November 2024
Celine Lu	*(1)	November 2024
Huaiyu Liu	—	—
Yeeli Hua Zheng	—	—
Joshua Kewei Cui	—	—
All directors and executive officers as a group	*(1)	—

Note:

* Less than 1% of our total ordinary shares on an as-converted basis outstanding as of December 31, 2024.

(1) All of the awarded restricted shares vested immediately as of December 31, 2024.

As of December 31, 2024, there were 325,106 awarded restricted shares held by our employees and consultants other than our directors and executive officers as a group which remained outstanding (i.e., granted but not vested).

C. Board Practices

Board of Directors

Our board of directors consists of five directors as of the date of this Report. Three of these five directors are independent. A director is not required to hold any shares in us by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with us is required to declare the nature of his or her interest at a meeting of our directors.

A general notice by any director to the effect that he or she is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm, shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he or she has an interest.

After such general notice, special notice relating to any particular transaction shall not be required. A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that such director may be interested therein. If a director does so his or her vote shall be counted and he or she may be counted in the quorum at any meeting of the directors at which such contract or proposed contract or arrangement is considered.

The directors may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise their skills and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our Amended and Restated Memorandum and Articles of Association as may be amended from time to time. We have the right to seek damages against any director who breaches a duty owed to us.

Code of Business Conduct and Ethics and Corporate Governance

We have adopted a code of business conduct and ethics, which are applicable to all of our directors, executive officers and employees. We have made our code of business conduct and ethics publicly available on our website.

In addition, we have adopted a set of corporate governance guidelines covering a variety of matters, including approval of related party transactions.

Terms of Directors and Officers

Our directors are not subject to a term of office and they hold office until such time as they are removed from office by ordinary resolution of the shareholders. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his or her creditors; (ii) dies or is found by us to

be or becomes of unsound mind; (iii) resigns his or her office by notice in writing to us; (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our board of directors resolve that his or her office be vacated; or (v) is removed from office pursuant to any other provision of our Amended and Restated Memorandum and Articles of Association. Our officers are elected by and serve at the discretion of the board of directors.

Committees of the Board

We have established an audit committee, a compensation committee and a nominating and corporate governance committee under our board of directors, and adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee

Our audit committee consists of Mr. Huaiyu Liu, Ms. Yeeli Hua Zheng and Mr. Joshua Kewei Cui. Mr. Huaiyu Liu is the chairman of our audit committee. We have determined that each of Mr. Huaiyu Liu, Ms. Yeeli Hua Zheng and Mr. Joshua Kewei Cui satisfies the "independence" requirements of the Nasdaq Stock Market Rules and Rule 10A-3 under the Exchange Act, and that Mr. Huaiyu Liu qualifies as an "audit committee financial expert" under Nasdaq Stock Market Rules.

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The audit committee oversees our accounting and financial reporting processes and the audit of our financial statements. The audit committee is responsible for, among other things:

- appointing our independent registered public accounting firm and pre-approving all auditing and non-auditing services performed by our independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and our independent registered public accounting firm;
- reporting regularly to the full board of directors; and
- performing such other matters that are specifically delegated to the audit committee by our board of directors from time to time.

Compensation Committee

Our compensation committee consists of Ms. Yeeli Hua Zheng, Ms. Celine Lu and Mr. Huaiyu Liu. Ms. Yeeli Hua Zheng is the chairman of our compensation committee. We have determined that each of Ms. Yeeli Hua Zheng and Mr. Huaiyu Liu satisfies the "independence" requirements of the Nasdaq Stock Market Rules.

The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated.

The compensation committee is responsible for, among other things:

- reviewing and recommending to the board the total compensation package for our four most senior executives;
- approving and overseeing the total compensation package for our executives other than the four most senior executives;
- reviewing and making recommendations to the board of directors with respect to the compensation of our directors; and
- reviewing periodically and recommending any long-term incentive compensation or equity plans, programs or similar arrangements for consideration by the board of directors, annual bonuses, employee pension and welfare benefit plans.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Mr. Leo Lu, Mr. Huaiyu Liu and Ms. Yeeli Hua Zheng. Mr. Leo Lu is the chairman of our nominating and corporate governance committee. We have determined that each of Mr. Huaiyu Liu and Ms. Yeeli Hua Zheng satisfies the "independence" requirements of the Nasdaq Stock Market Rules.

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The nominating and corporate governance committee assists the board of directors in selecting directors and in determining the composition of our board and board committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors, or for appointment to fill any vacancy;
- reviewing annually with our board of directors its composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- identifying and recommending to our board the directors to serve as members of committees;
- advising the board periodically with respect to developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations;
- making recommendations to our board of directors on corporate governance matters and on any corrective action to be taken; and

- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure compliance.

D. Employees

As of December 31, 2022, 2023 and 2024, we had 26, 29 and 34 full-time employees, who have been engaged by the subsidiaries of BitFuFu and primarily work in Singapore, the U.S. and UAE during employment terms.

None of our employees are represented by a labor union or covered by collective bargaining agreements, and we have not experienced any work stoppages.

The remuneration payable to our employees includes salaries and allowances. We determine employee remuneration based on factors primarily including industry standard, department operation requirement and work performance. We provide regular trainings to employees, which include orientation training for new employees and continuing on-the-job training for existing employees. We believe we offer our employees competitive compensation packages and a dynamic work environment that encourage initiative and is based on merit. As a result, we have been able to attract and retain talented personnel and maintain a stable core management team.

We enter into standard labor and confidentiality agreements with all employees and non-compete agreements with our core employees. The non-compete restricted period typically expires six months after the termination of employment.

E. Share Ownership

Information regarding the ownership of our ordinary shares by our directors and executive officers is set forth in Item 7.A of this Report.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of our ordinary shares as of March 31, 2025 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of outstanding ordinary shares;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to, or the power to receive the economic benefit of ownership of, the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares that the person has the right to acquire within 60 days are included, including through the exercise of any option or other right or the conversion of any other security. However, these shares are not included in the computation of the percentage ownership of any other person.

The percentage of our ordinary shares beneficially owned by the parties listed below is calculated based on 163,106,615 ordinary shares issued and outstanding as of March 31, 2025, consisting of (i) 28,106,615 Class A ordinary share, and (ii) 135,000,000 Class B ordinary shares.

Beneficial Owners	Number of Class A Ordinary Shares	Number of Class B Ordinary Shares	Percentage of all Ordinary Shares	% of Voting Power ⁽³⁾
Principal Shareholders:				
Chipring Technology Limited ⁽¹⁾	—	135,000,000	82.8%	96.0%
Antdelta Investment Limited ⁽²⁾	11,500,000	—	7.1%	1.6%
Directors and Executive Officers[†]				
Leo Lu ⁽¹⁾	—	135,000,000	82.8%	96.0%
Calla Zhao	*	—	*	*
Celine Lu	*	—	*	*
Huaiyu Liu	—	—	—	—
Yeeli Hua Zheng	—	—	—	—
Joshua Kewei Cui	—	—	—	—
All directors and executive officers as a group	*	135,000,000	83.7%	96.2%

* Aggregate number of shares accounts for less than one percent (1%) of our total outstanding shares.

† Except as indicated otherwise below, the business address of our directors and executive officers is 9 Temasek Boulevard, Suntec Tower 2, #13-01, Singapore 038989.

(1) Chipring Technology Limited is a company incorporated under the laws of the British Virgin Islands and is wholly owned by Mr. Leo Lu. The registered address of Chipring Technology Limited is Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.

(2) Antdelta Investment Limited is a company incorporated under the laws of the British Virgin Islands and is wholly owned by BitMain Technologies Holding Company. The registered address of Antdelta Investment Limited is Kingston Chambers P.O. Box 173, Road Town, Tortola, British Virgin Islands.

(3) Each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to five votes.

B. Related Party Transactions

Agreements Related to the Business Combination

In connection with and pursuant to the Merger Agreement, certain agreements were entered into between BitFuFu, Finfront, Arisz and certain related parties. See "Item 4. Information On the Company—A. History and Development of the Company."

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Transactions with Bitmain and Its Affiliates

In 2022, 2023 and 2024, BitMain Technologies Holding Company and its affiliates ("Bitmain Group") provided mining equipment rental, hashrate service and hosting service to us, with a transaction amount of US\$83.9 million, US\$166.5 million and US\$177.2 million, respectively. As of December 31, 2024, the amount due from Bitmain Group was US\$31.5 million, which represented the prepaid service fees to Bitmain Group.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See Item 18 of this Report for our consolidated financial statements and other financial information.

Legal Proceedings

From time to time, we have been involved in legal proceedings or be subject to claims arising out of our operations.

Ethereal Singapore is named as a defendant in a lawsuit filed on November 6, 2023, in the United States Bankruptcy Court for the District of Delaware, the venue of which had been transferred to the U.S. District Court for the Southern District of New York. The lawsuit relates to an alleged agreement to sell at a discount of Ethereum Singapore's creditor claim against FTX's bankruptcy estate. The plaintiff seeks to specific performance by Ethereum Singapore to complete the transfer of the subject claim to the plaintiff or, alternatively, damages in an amount equal to the difference between the alleged purchase prices of the subject claim and the ultimate amounts distributed by the FTX bankruptcy estate on the account of that claim. As a result of the FTX bankruptcy proceeding, we recorded 100% impairment loss for the claim of US\$9.8 million in 2022 (remeasured using the carrying value of Bitcoin as of December 31, 2022) on assets, including the underlying assets of this lawsuit's subject claim, held at FTX. As of December 31, 2024, the lawsuit has been discontinued and the matter has been fully settled. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Operations—We deposit certain fund and digital assets with cryptocurrency exchanges. If such cryptocurrency exchanges become bankrupt or otherwise unable to remit stored fund and digital assets, we may lose these assets, and our business, financial condition and results of operations may be adversely affected," and "—We have been and may continue to be involved in legal and other disputes from time to time arising out of our operations, including disputes with our suppliers, customers, business partners, competitors or employees," and "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Key Components of Results of Operations—Operating expenses/income—Impairment loss on assets held by FTX."

On September 11, 2024, a holder of certain Warrants, or the Warrant Holder, commenced a litigation against the Company in the United States District Court for Southern District of New York, alleging that the Company breached the warrant agreement between Arisz and Continental Stock Transfer & Trust Company by failing to honor the Warrant Holder's attempts on March 4, 2024 to exercise a portion of the Warrants it holds. We dispute the allegations and filed a motion to dismiss on December 18, 2024. That motion is fully briefed and awaiting a decision from the court. We intend to defend the lawsuit vigorously but we cannot predict the outcome at this time due to its early stage. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Operations—We have been and may continue to be involved in legal and other disputes from time to time arising out of our operations, including disputes with our suppliers, customers, business partners, competitors or employees."

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Other than the foregoing, we are not presently a party to any litigation the outcome of which, we believe, if determined adversely against us, would individually or taken together have a material adverse effect on our business, financial condition and results of operations. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

Dividend Policy

The holders of ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our board of directors). Our Amended and Restated Memorandum and Articles of Association provide that dividends may be declared and paid out of our lawfully available funds. Under the laws of the Cayman Islands, we may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in our being unable to pay our debts as they fall due in the ordinary course of business.

B. Significant Changes

Except as disclosed elsewhere in this Report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Nasdaq Listing of the Class A ordinary shares and Warrants

The Class A ordinary shares and Warrants to purchase the Class A ordinary shares listed on Nasdaq are traded under the symbols "FUFU" and "FUFUW", respectively.

Holders of the Class A ordinary shares and/or Warrants should obtain current market quotations for their securities. There can be no assurance that the Class A ordinary shares and/or Warrants will remain listed on Nasdaq. If we fail to comply with the Nasdaq listing requirements, the Class A ordinary shares and the Warrants could be delisted from Nasdaq. A delisting of the Class A ordinary shares and the Warrants will likely affect their liquidity and could inhibit or restrict our ability to raise additional financing.

Lock-up Agreements and Transfer Restrictions

Information regarding the transfer restrictions applicable to the ordinary shares held by certain former shareholders of Finfront is included in "Item 4. Information on the Company—A. History and Development of the Company—Additional Agreements in connection with the Business Combination."

B. Plan of Distribution

Not applicable.

C. Markets

Our Class A ordinary shares and the Warrants to purchase the Class A ordinary shares are listed on the Nasdaq Capital Markets under the symbols "FUFU" and "FUFUW," respectively.

D. Selling Shareholders

Not applicable.

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E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under this Item 10.B is incorporated by reference to the following sections of the final prospectus dated February 6, 2024 that forms a part of our registration statement on Form F-4 (File No. 333-276181) which was declared effective by the SEC on February 6, 2024: "Description of PubCo's Securities," and "Comparison of Shareholders' Rights."

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company—A. History and Development of the Company," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" or elsewhere in this Report.

D. Exchange Controls

There are no governmental laws, decrees, regulations or other legislation in the Cayman Islands that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of Cayman Islands of our ordinary shares.

E. Taxation

The following is a general summary of certain Cayman Islands and United States federal income tax consequences relevant to an investment in our Class A ordinary shares. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any particular prospective purchaser. The discussion is based on laws and interpretations thereof in effect as of the date of this Report, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands and the United States. You should consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of our Class A ordinary shares.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to holders of our ordinary shares levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax.

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United States Federal Income Tax Considerations

The following is a general discussion of certain material U.S. federal income tax consequences of the ownership and disposition of Class A ordinary shares for a U.S. holder (as defined below). This discussion address only U.S. holders (as defined below) that acquire and hold our Class A ordinary shares. This discussion is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. holder as a result of the ownership and disposition of Class A ordinary shares. In addition, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular holders nor does it take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder, and accordingly, is not intended to be, and should not be construed as, tax advice.

This discussion is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder (whether final, temporary, or proposed) ("Treasury Regulation"), published administrative rulings of the IRS, and judicial decisions, all as in effect on the date hereof. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This discussion does not address the U.S. federal 3.8% Medicare tax imposed on certain net investment income or any aspects of U.S. federal taxation other than those pertaining to the income tax, nor does it address any tax consequences arising under any U.S. state and local, or non-U.S. tax laws. U.S. Holders should consult their own tax advisors regarding such tax consequences in light of their particular circumstances.

No ruling has been requested or will be obtained from the IRS regarding the U.S. federal income tax consequences of the Business Combination or any other related matter; thus, there can be no assurance that the IRS will not challenge the U.S. federal income tax treatment described below or that, if challenged, such treatment will be sustained by a court.

This summary is limited to considerations relevant to U.S. Holders that hold Class A ordinary shares as "capital assets" within the meaning of section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to holders in light of their individual circumstances, including holders subject to special treatment under the U.S. tax laws, such as, for example:

- banks or other financial institutions, underwriters, or insurance companies;
- brokers or dealers in securities or currencies or holders that are traders in securities who elect to apply a mark-to-market method of accounting;
- real estate investment trusts and regulated investment companies;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;
- expatriates or former citizens or long-term residents of the United States;
- subchapter S corporations, partnerships or other pass-through entities or investors in such entities;
- any holder that is not a U.S. Holder;
- holders of Class B ordinary shares;
- dealers or traders in securities, commodities or currencies;

- grantor trusts;
- persons subject to the alternative minimum tax;
- persons whose "functional currency" is not the U.S. dollar;
- persons who received shares of Class A ordinary shares through the issuance of restricted stock under an equity incentive plan or through a tax-qualified retirement plan or otherwise as compensation;
- persons who own (directly or through attribution) 10% or more (by vote or value) of the issued shares of BitFuFu (excluding treasury shares);
- persons that hold Warrants or other rights to acquire Class A ordinary shares; or
- holders holding Class A ordinary shares as a position in a "straddle," as part of a "synthetic security" or "hedge," as part of a "conversion transaction," or other integrated investment or risk reduction transaction;

As used in this Report, the term "U.S. Holder" means a beneficial owner of Class A ordinary shares received in the Business Combination, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) that has a valid election to be treated as a U.S. person for U.S. federal income tax purposes under the Code.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds Class A ordinary shares received in the Business Combination, the U.S. federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. This discussion does not address the tax consequences to any such partner or partnership. A holder that is a partnership and the partners in such partnership should consult their own tax advisors with regard to the U.S. federal income tax consequences of the ownership and disposition of Class A ordinary shares received in the Business Combination.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX

CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF CLASS A ORDINARY SHARES. IN ADDITION, THE U.S. FEDERAL INCOME TAX TREATMENT OF THE BENEFICIAL OWNERS OF CLASS A ORDINARY SHARES MAY BE AFFECTED BY MATTERS NOT DISCUSSED HEREIN AND DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. HOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF CLASS A ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX LAWS.

Our Tax Residence for U.S. Federal Income Tax Purposes

Under current U.S. federal income tax law, a corporation generally is considered a resident for U.S. federal income tax purposes in its place of organization or incorporation. Accordingly, under the generally applicable U.S. federal income tax rules, we would generally be classified as a non-U.S. corporation (and, therefore, not a U.S. tax resident). Section 7874 of the Code and the Treasury Regulations promulgated thereunder, however, contain specific rules (more fully discussed below) that may cause a non-U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. If it were determined that we should be taxed as a U.S. corporation for U.S. federal income tax purposes under section 7874 of the Code, we would be liable for U.S. federal income tax on our income like any other U.S. corporation, and certain distributions made by us to non-U.S. holders of Class A ordinary shares would be subject to U.S. withholding tax at the rate of 30% or such lower rate as provided by an applicable treaty. As a result, taxation as a U.S. corporation could have a material adverse effect on our financial position and results from operations. The section 7874 rules are complex and require analysis of all relevant facts and circumstances, and there is limited guidance and significant uncertainties as to their application.

Under section 7874 of the Code, a corporation created or organized outside the United States (i.e., a non-U.S. corporation) will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes (and, therefore, be a U.S. tax resident subject to U.S. federal income tax on its worldwide income) if (i) the non-U.S. corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation, (ii) the non-U.S. corporation's expanded affiliated group does not have substantial business activities in the non-U.S. corporation's country of organization or incorporation relative to the expanded affiliated group's worldwide activities (the "substantial business activities test"), and (iii) the shareholders of the acquired U.S. corporation hold at least 80% (by either vote or value) of the stock of the non-U.S. acquiring corporation after the acquisition by reason of holding shares in the U.S. acquired corporation, as determined under complex share ownership rules described below, which are uncertain in their application in many circumstances and are intended to increase the percentage ownership for these purposes (the "Ownership Test"). For this purpose, "expanded affiliated group" generally means the foreign acquiring corporation and all subsidiary corporations in which such foreign corporation owns, directly or indirectly, more than 50% of the stock (by vote and value) after the foreign acquiring corporation's acquisition of the assets of the U.S. corporation.

We do not expect to satisfy the substantial business activities test, and accordingly, we must determine whether the Ownership Test has been met.

Based on the complex rules for determining share ownership under section 7874 of the Code and Treasury Regulations promulgated thereunder and certain factual assumptions, our view is that immediately after completion of the Business Combination, former shareholders of Arisz owned, by reason of owning (or being treated as owning) stock of Arisz, less than 80% of the voting power and value of the Class A ordinary shares. Therefore, we do not expect to satisfy the Ownership Test, and our view is that section 7874 applies in a manner such that we are not treated as a U.S. corporation for U.S. federal income tax purposes. However, our position depends in part on the position that the Ownership Test is determined after the Business Combination rather than immediately after the Redomestication Merger for purposes of section 7874 of the Code.

No IRS ruling has been requested or will be obtained regarding the U.S. federal income tax consequences of the Business Combination. If the IRS were to apply section 7874 of the Code immediately after completion of the Redomestication Merger, but before the Business Combination, then section 7874 of the Code is generally expected to treat us as a U.S. corporation for U.S. federal income tax purposes.

The application of the Ownership Test is extremely complex. The applicable Treasury Regulations relating to the Ownership Test are subject to significant uncertainty and there is limited guidance regarding their application. Moreover, the application of the Ownership Test to the facts and circumstances of the Business Combination are uncertain. Accordingly, our expectation that section 7874 of the Code does not apply to treat us as a U.S. corporation for U.S. federal income tax purposes is subject to challenge, and there can be no assurance that the IRS will not take a contrary position to those described above or that a court will not agree with a contrary position of the IRS in the event of litigation.

U.S. Federal Income Tax Consequences of Ownership and Disposition of Class A ordinary shares

The following discussion is a summary of certain material U.S. federal income tax consequences of the ownership and disposition of Class A ordinary shares by U.S. Holders, assuming BitFuFu Inc. is not treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code.

Distribution on Class A ordinary shares

Subject to the PFIC rules discussed below "—Passive Foreign Investment Company Status," a U.S. Holder generally will be required to include in gross income any distribution of cash or property paid on Class A ordinary shares that is treated as a dividend for U.S. federal income tax purposes. A distribution on such shares generally will be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividends paid by us will be taxable to a corporate U.S. Holder at regular rates and will not be eligible for the dividends-received deduction generally allowed to domestic corporations in respect of dividends received from other domestic corporations.

Dividends received by non-corporate U.S. Holders from a "qualified foreign corporation" may be eligible for reduced rates of taxation, provided that certain holding period requirements and other conditions are satisfied. For these purposes, a non-U.S. corporation will be treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States. The Treasury guidance indicates that shares listed on the Nasdaq will be considered readily tradable on an established securities market in the United States. Although the Class A ordinary shares are currently listed on the Nasdaq, there can be no assurance that the Class A ordinary shares will be considered readily tradable on an established securities market in future years. Non-corporate U.S. Holders that do not meet a minimum holding period requirement or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code (dealing with the deduction for investment interest expense) will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. Finally, we will not constitute a qualified foreign corporation for purposes of these rules if we are a PFIC for the taxable year in which we pay a dividend or for the preceding taxable year. See the discussion below under "—Passive Foreign Investment Company Status."

The amount of any dividend paid in foreign currency will be the U.S. dollar value of the foreign currency distributed by us, calculated by reference to the spot exchange rate in effect on the date the dividend is includible in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars on the date of receipt. Generally, a U.S. Holder should not recognize any foreign currency gain or loss if the foreign currency is converted into U.S. dollars on the date the payment is received. However,

any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. Holder includes the dividend payment in income to the date such U.S. Holder actually converts the payment into U.S. dollars will be treated as ordinary income or loss.

To the extent that the amount of any distribution made by us on the Class A ordinary shares exceeds our current and accumulated earnings and profits for a taxable year (as determined under U.S. federal income tax principles), the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the U.S. Holder's Class A ordinary shares, and to the extent the amount of the distribution exceeds the U.S. Holder's tax basis, the excess will be taxed as capital gain recognized on a sale or exchange as described below under "Sale, Exchange, Redemption or Other Taxable Disposition of Class A ordinary shares." However, we may not calculate earnings and profits in accordance with U.S. federal income tax principles. In such event, a U.S. Holder should expect to generally treat distributions we make as dividends.

Sale, Exchange, Redemption or Other Taxable Disposition of BitFuFu Securities

Subject to the discussion below under "*Passive Foreign Investment Company Status*," a U.S. Holder will generally recognize gain or loss on any sale, exchange, or other taxable disposition of Class A ordinary shares in an amount equal to the difference between the amount realized on the disposition and such U.S. Holder's adjusted tax basis in such Class A ordinary shares. Any gain or loss recognized by a U.S. Holder on a taxable disposition of Class A ordinary shares will generally be capital gain or loss and will be long-term capital gain or loss if the holder's holding period in the Class A ordinary shares exceeds one year at the time of the disposition. Preferential tax rates may apply to long-term capital gains of non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. Holder on the sale or exchange of Class A ordinary shares will generally be treated as U.S. source gain or loss.

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Passive Foreign Investment Company Status

Certain adverse U.S. federal income tax consequences could apply to a U.S. Holder if we, or any of our subsidiaries, is treated as a PFIC for any taxable year during which the U.S. Holder holds Class A ordinary shares. A non-U.S. corporation will be classified as a PFIC for any taxable year (a) if at least 75% of its gross income in a taxable year, including its pro rata share of the gross income of any entity in which it is considered to own at least 25% of the interest by value, is passive income, or (b) if at least 50% of its assets in a taxable year of the foreign corporation, ordinarily determined based on fair market value and averaged quarterly over the year, including its pro rata share of the assets of any entity in which it is considered to own at least 25% of the interest by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. The application of these rules to digital assets and operations relating thereto, including Bitcoin and Bitcoin mining operations, is subject to uncertainty. For example, it is possible that our Bitcoin mining operations could cause us to hold digital assets that are treated as commodities or non-inventory property, the excess of gains over losses from the disposition of which could be treated as passive income. Further, the digital assets themselves could be treated as passive assets.

Whether we or any of our subsidiaries is treated as a PFIC for U.S. federal income tax purposes is a factual determination that must be made annually at the close of each taxable year and, thus, is subject to significant uncertainty. Among other factors, fluctuations in the market price of Class A ordinary shares and how, and how quickly, we use liquid assets and cash obtained in the Business Combination may influence whether we or any of our subsidiaries is treated as PFIC. Accordingly, we are unable to determine whether we or any of our subsidiaries will be treated as a PFIC for the taxable year of the Business Combination or for future taxable years, and there can be no assurance that we or any of our subsidiaries will not be treated as a PFIC for any taxable year. Moreover, we do not expect to provide a PFIC annual information statement for 2024 or going forward, which will preclude U.S. Holders from making or maintaining a "qualified electing fund" election under section 1295 of the Code.

If we were determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of Class A ordinary shares and, in the case of Class A ordinary shares, the U.S. Holder did not make a valid "mark-to-market" election, such U.S. Holder generally will be subject to special rules with respect to: (i) any gain recognized by the U.S. Holder on the sale or other disposition of Class A ordinary shares and (ii) any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the Class A ordinary shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for such ordinary shares).

Under these rules:

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for Class A ordinary shares;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. holder recognized gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we are a PFIC, will be taxed as ordinary income;
- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder

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Although a determination as to our PFIC status will be made annually, an initial determination that we are a PFIC will generally apply for subsequent years to a U.S. Holder who held Class A ordinary shares while we were a PFIC, whether or not we meet the test for PFIC status in those subsequent years.

If a U.S. Holder, at the close of its taxable year, owns shares in a PFIC that are treated as marketable stock, the U.S. Holder may make a mark-to-market election with respect to such shares for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) Class A ordinary shares and for which we are determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect to its Class A ordinary shares as long as such shares continue to be treated as marketable stock. Instead, in general, the U.S. Holder will include as ordinary income each year that we are treated as a PFIC the excess, if any, of the fair market value of its Class A ordinary shares at the end of its taxable year over the adjusted basis in its Class A ordinary shares. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of its Class A ordinary shares over the fair market value of its Class A ordinary shares at the end of its taxable year (but only to the extent of the net amount of previously recognized income as a result of the mark-to-market election). The U.S. Holder's adjusted tax basis in its Class A ordinary shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the Class A ordinary shares in a taxable year in which we are treated as a PFIC will be treated as ordinary income. Special tax rules may also apply if a U.S. Holder makes a mark-to-market election for a taxable year after the first taxable year in which the U.S. Holder holds (or is deemed to hold) its Class A ordinary shares and for which we are treated as a PFIC.

The mark-to-market election is available only for stock that is regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission, including Nasdaq (on which the Class A ordinary shares are listed), or on a foreign exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. Such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than

in de minimis quantities, on at least 15 days during each calendar quarter, but no assurances can be given in this regard with respect to the Class A ordinary shares. U.S. Holders should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect of Class A ordinary shares under their particular circumstances.

If we are a PFIC and, at any time, has a foreign subsidiary that is classified as a PFIC, U.S. Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we were to receive a distribution from, or dispose of all or part of our interest in, the lower-tier PFIC (even though such U.S. Holder would not receive the proceeds of those distributions or dispositions) or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. A mark-to-market election generally would not be available with respect to such lower-tier PFIC. U.S. Holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a mark-to-market election is or has been made) with such U.S. Holder's U.S. federal income tax return and provide any such other information as may be required by the Treasury. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS.

The rules dealing with PFICs and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of Class A ordinary shares should consult their own tax advisors concerning the application of the PFIC rules to Class A ordinary shares under their particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends (including constructive dividends) received by U.S. Holders of Class A ordinary shares, and the proceeds received on the disposition of Class A ordinary shares effected within the United States (and, in certain cases, outside the United States), in each case, other than U.S. Holders that are exempt recipients (such as corporations). Backup withholding (currently at a rate of 24%) may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number and certify that it is not subject to backup withholding (generally on an IRS Form W-9 provided to the paying agent or the U.S. Holder's broker) or is otherwise subject to backup withholding.

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Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a holder's U.S. federal income tax liability, if any, by filing the appropriate claim for refund and timely providing the required information to the IRS. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules in their particular circumstances and the availability of and procedures for obtaining an exemption from backup withholding.

Certain U.S. Holders holding specified foreign financial assets with an aggregate value in excess of the applicable dollar threshold are required to report information to the IRS relating to Class A ordinary shares, subject to certain exceptions (including an exception for Class A ordinary shares held in accounts maintained by U.S. financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return, for each year in which they hold Class A ordinary shares. In addition to these requirements, U.S. Holders may be required to annually file FinCEN Report 114 (Report of Foreign Bank and Financial Accounts) with the U.S. Department of Treasury. U.S. Holders who are required to report specified foreign financial assets on IRS Form 8938 and/or foreign bank and financial accounts on FinCEN Report 114 and fail to do so may be subject to substantial penalties.

The discussion of reporting obligations set forth above is not intended to constitute an exhaustive description of all reporting obligations that may apply to a U.S. Holder. A failure to satisfy certain reporting obligations may result in an extension of the period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting obligation. Penalties for failure to comply with these reporting obligations are substantial. U.S. Holders should consult with their own tax advisors regarding their reporting obligations relating to their ownership of Class A ordinary shares, including the requirement to file an IRS Form 8938.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to certain of the informational filing requirements of the Exchange Act. Since we are a "foreign private issuer," we are exempt from the rules and regulations under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions contained in Section 16 of the Exchange Act, with respect to their purchase and sale of our shares. In addition, we are not required to file reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we are required to file with the SEC an annual report on Form 20-F containing financial statements audited by an independent accounting firm. We may, but are not required, to furnish to the SEC, on Form 6-K, unaudited financial information after each of our first three fiscal quarters. All information we file with the SEC can be obtained over the internet at the SEC's website at www.sec.gov.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

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ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit risk refers to the risk of financial loss to us arising from default by customers or counterparties of financial instruments on the contract obligations. Financial

instruments that potentially expose us to concentrations of credit risk consist primarily of cash and cash equivalents, digital assets and accounts receivables. We place the cash and cash equivalents with financial institutions with high credit ratings and quality. We conduct credit evaluations on our customers. We establish an allowance for doubtful accounts primarily based upon various factors surrounding the credit risk of specific customers and general economic conditions, refer to the current expected credit loss policy.

We currently hold digital assets only for ourselves. We ceased offering temporary custodian services to our customers in 2022. The following table sets forth the balance of our own digital assets as of the dates indicated.

	As of December 31,		
	2024	2023	2022
	US\$ '000	US\$ '000	US\$ '000
USDT	4,817	61	56
Bitcoin	125,048	43,896	7,938
Others	75	21	17
Total	129,940	43,978	8,011

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Following the consummation of the Business Combination, we have assumed all outstanding ARIZ Warrants and converted such them into corresponding warrants to purchase Class A ordinary shares. Each Warrant entitles the holder thereof to purchase three fourths (3/4) of one Class A ordinary share at a price of US\$11.50 per whole share, subject to adjustment. The Warrants may be exercised only for a whole number of Class A ordinary shares. There are 7,176,389 Warrants outstanding as of March 31, 2025. For details of the Warrants, please refer to Exhibit 2.4 and Exhibit 2.5 to this Report. We also assumed the Unit Purchase Option (as defined below) that Arisz sold to Chardan, for US\$100, which consists of an option to purchase up to a total of 115,000 Option Units (as defined below) exercisable, in whole or in part, at US\$11.50 per unit, commencing on the consummation of the Business Combination (the "Unit Purchase Option"). The Unit Purchase Option may be exercised for cash or on a cashless basis, at the holder's option, and expires on November 17, 2026, being the five-year anniversary of the effective date of the registration statement in relation to Arisz's initial public offering. Upon exercise, each unit (the "Option Unit") contains one Class A Ordinary Share, one Warrant and one right. Each Warrant entitles the holder thereof to purchase three fourths (3/4) of one Class A ordinary share at an exercise price of US\$11.50 per whole share, subject to adjustment. Each right, upon automatic conversion at issuance, entitles the holder thereof to receive one-twentieth (1/20) of one Class A ordinary share.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

As of the end of the period covered by this Report, an evaluation has been carried out under the supervision and with the participation of our management, including our chief executive officer and our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the U.S. Exchange Act.

Based on that evaluation, our management has concluded that, due to the outstanding material weakness described below, as of December 31, 2024, our disclosure controls and procedures were not effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America and includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company's assets that could have a material effect on the consolidated financial statements.

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

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the SEC, our management, including our chief executive officer and chief financial officer, assessed the effectiveness of internal control over financial reporting as of December 31, 2024 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the management concluded that our internal control over financial reporting was not effective as of December 31, 2024, because of the material weakness described below.

As defined in the standards established by the PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weakness that we have identified in our internal control relates to insufficient accounting personnel with appropriate experience and knowledge to address complex accounting matters in accordance with U.S. GAAP. The material weakness, if not remediated timely, may lead to material misstatements in our consolidated financial statements in the future.

To remedy the identified material weakness, we took several measures to improve our internal control over financial reporting, including, among others: (i) recruiting more qualified personnel equipped with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework, (ii) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel, (iii) enhancing oversight over and clarifying reporting requirements for non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with U.S. GAAP and SEC reporting requirements, (iv) engaging a U.S. consulting firm as our advisor who has rich knowledge and experience in U.S. GAAP and SEC reporting, as well as accounting treatment and disclosures for the crypto industry, and (v) preparing more detailed guidance and manuals on financial closing policies and procedures to improve the quality and accuracy of period-end financial closing process. However, based on assessments performed by our management on the performance of certain remediation measures, we determined that the material weakness in our internal control over financial reporting previously identified had not been fully remediated.

We plan to continue to implement measures to remedy the identified material weakness. However, we cannot assure you that these measures may fully address this material weakness in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our ordinary shares may be materially and adversely affected."

Attestation Report of the Registered Public Accounting Firm

This Report does not include an attestation report by our independent registered public accounting firm. For as long as we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404.

Changes in Internal Control over Financial Reporting

Other than as described above, there were no changes in our internal controls over financial reporting that occurred during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board has determined that both Mr. Huaiyu Liu and Mr. Joshua Kewei Cui, each of whom is an independent non-executive director, satisfy the criteria of an audit committee financial expert as defined in Item 16A of the instruction to Form 20-F. Both Mr. Huaiyu Liu and Mr. Joshua Kewei Cui satisfy the requirements for an "independent director" within the meaning of the Nasdaq Stock Market Rule and the criteria for independence set forth in Rule 10A-3 of the Exchange Act.

ITEM 16B. CODE OF ETHICS

We have adopted a code of business conduct and ethics, which are applicable to all of our directors, executive officers and employees. We have made our code of business conduct and ethics publicly available on our website (<https://www.bitfufu.com>). We intend to disclose any amendment to the code, or any waivers of its requirements, in our annual report on Form 20-F.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

WWC, P.C. served as our independent auditors for the fiscal years ended December 31, 2023 and 2024. The following table sets forth the fees billed to us by our principal accountants for professional services performed in the years ended December 31, 2023 and 2024:

	Year ended December 31,	
	2024	2023
	(In US\$ '000)	
Audit Fees (i)	300	238

(i) Audit fees include the aggregate fees billed in each of the fiscal years for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements, review of the interim financial statements and for the audits of our financial statements.

The policy of our audit committee is to pre-approve all auditing and non-audit services provided by our independent public accountant, including audit services, audit-related services, tax services and other services as described above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a "foreign private issuer," as defined in the Exchange Act. Nasdaq market rules permit a foreign private issuer like us to follow the corporate governance practices of our home country, the Cayman Islands, in lieu of the corporate governance standards of Nasdaq applicable to U.S. domestic companies. Certain corporate governance practices in the Cayman Islands may differ significantly from Nasdaq corporate governance listing standards applicable to domestic U.S. companies.

For example, among other things, we are not required to: (i) have a majority-independent board of directors; (ii) have a compensation committee consisting of independent directors; (iii) have a nominating committee consisting of independent directors; (iv) have regularly scheduled executive sessions with only independent directors each year; or (v) obtain shareholder approval prior to the issuance of additional circumstances in accordance with Rule 5635 of the Nasdaq Stock Market Rules.

Currently, we plan to rely on certain exemptions offered to foreign private issuers under Nasdaq Stock Market Rules, including not having a compensation committee and a nominating committee consisting of independent directors, and the requirement to receive shareholder approval prior to the issuance of additional shares in certain circumstances. We may also follow the home country practice for certain other corporate governance practices in the future, which may differ from the requirements of the Nasdaq corporate governance listing standards.

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As a foreign private issuer, we are also subject to reduced disclosure requirements and are exempt from certain provisions of the U.S. securities rules and regulations applicable to U.S. domestic issuers such as the rules regulating solicitation of proxies and certain insider reporting and short-swing profit rules. We may utilize these exemptions for as long as we continue to qualify as a foreign private issuer.

As a result of the foregoing, our shareholders may be afforded less protection than they otherwise would under the Nasdaq corporate governance listing standards applicable to U.S. domestic issuers. Other than the home country practice described above, we are not aware of any significant differences between our corporate governance practices and those followed by U.S. domestic companies under the Nasdaq corporate governance listing standards.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies and procedures governing the purchase, sale and other dispositions of the our securities by directors, officers, employees, consultants and other relevant persons to promote compliance with applicable insider trading laws, rules, regulations and listing standards. For details of our insider trading policies, see Exhibit 11.2 to this Report.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things, operational risks, intellectual property theft, harm to employees or customers and violation of data privacy or security laws.

We are a holding company and our operations are conducted through Finfront, with principal executive offices in Singapore. We receive, process, store and transmit, often electronically, data of customers, much of which is confidential. Cybersecurity risks increase when we transmit information from one location to another, including over the internet or other electronic networks. We have implemented comprehensive internal policies and measures for assessing, identifying and managing material risks from cybersecurity threats and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incidents. We have also integrated cybersecurity risk management into our overall enterprise risk management system. The main internal policies and measures are as follows:

- Risk assessment designed to help identify material cybersecurity risks to our critical systems, information, products and our broader enterprise IT environment;
- A security team primarily responsible for managing our cybersecurity risk assessment processes, our security control and our responses to cybersecurity incidents;
- Cybersecurity awareness training of our employees and senior management; and
- Use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls.

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We have implemented a set of procedures to ensure effective management of the cybersecurity risks associated with the use of third-party service provider, CrowdStrike Falcon OverWatch ("CrowdStrike"), to help us reduce the risk of cybersecurity attacks. Our internal security team conducts regular inspections on the hunting reports generated by CrowdStrike.

Our digital assets are mined to and stored in offline cold wallet, which is a physical device that holds digital assets offline and aims to prevent hackers from being able to access digital assets via traditional internet-hacking means. Access to digital assets in such cold wallet requires separate authentication from different authorized individuals.

As of the date of this Report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect our business strategy, results of operations or financial conditions.

However, despite the measures we have implemented, our miners, systems and procedures, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, software viruses, misplaces or lost data, programming or human errors or other similar events which may disrupt our delivery of services or expose the confidential information of our customers. Furthermore, security breaches, computer malware and computer hacking attacks have been a prevalent concern in the digital asset exchange market. Therefore, there can be no assurance that cybersecurity incidents or threats would not occur to us in the future.

Cybersecurity Governance

Our board considers cybersecurity risk as part of its risk oversight function. The board receives regular reports from management on our cybersecurity risks and any material cybersecurity incidents.

Our Chief Executive Officer and Chief Technology Officer are responsible for assessing and managing cybersecurity risks. Our Chief Executive Officer has over 12 years of experience in banking system development and operation and holds certificates of IT System Management and Certified Information System Auditor.

We have also adopted an information security incident emergency response guide (the "Cybersecurity Emergency Response Guide"), which sets out details procedures for detecting, reporting, and responding to cybersecurity incidents. Our Cybersecurity Emergency Response Guide also include steps to contain the incident, investigate the root cause, and restore normal operations. Pursuant to our Cybersecurity Emergency Response Guide, we regularly conduct training for our team members who are responsible for responding to any cybersecurity incident to ensure their competence in such situations.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

Our consolidated balance sheets as of December 31, 2023 and 2024, and the related consolidated statements of comprehensive income, stockholders' equity, and cash flows in each of the years for the three-year period ended December 31, 2024, and the related notes are filed as part of this Report beginning on page F-2.

ITEM 19. EXHIBIT

Exhibit Number	Description
1.1	Amended and Restated Memorandum and Articles of Association of BitFuFu Inc. (incorporated by reference to Exhibit 1.1 to the Shell Company Report on Form 20-F (File No. 001-41972), filed with the SEC on March 7, 2024).
2.1	Specimen Class A Ordinary Share Certificate of BitFuFu Inc. (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
2.2	Specimen Class B Ordinary Share Certificate of BitFuFu Inc. (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
2.3	Specimen Warrant Certificate of BitFuFu Inc. (incorporated by reference to Exhibit 2.3 to the Shell Company Report on Form 20-F (File No. 001-41972), filed with the SEC on March 7, 2024).
2.4	Warrant Agreement, dated November 17, 2021, between Continental Stock Transfer & Trust Company and Arisz Acquisition Corp. (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
2.5	Supplemental Warrant Agreement, dated December 19, 2023, by and among Arisz Acquisition Corp., BitFuFu Inc., and Continental Stock Transfer and Trust Company (incorporated by reference to Exhibit 4.10 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
2.6	Unit Purchase Option, dated November 17, 2021, issued by Arisz to Chardan (incorporated by reference to Exhibit 2.6 to the annual report on Form 20-F (File No. 001-41972) filed by the Registrant with the SEC on April 25, 2024).
2.7	Description of Securities (incorporated by reference to Exhibit 2.7 to the annual report on Form 20-F (File No. 001-41972) filed by the Registrant with the SEC on April 25, 2024).
4.1	Merger Agreement dated January 21, 2022 by and between Arisz Acquisition Corp. and Finfront Holding Company (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
4.2	Amendment No. 1 to Merger Agreement dated April 4, 2022 by and among Arisz Acquisition Corp. and Finfront Holding Company, BitFuFu Inc. and Boundary Holding Company (incorporated by reference to Exhibit 2.2 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
4.3	Amendment No. 2 to Merger Agreement dated October 10, 2022 by and between Arisz Acquisition Corp. and Finfront Holding Company (incorporated by reference to Exhibit 2.3 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
4.4	Amendment No. 3 to Merger Agreement dated April 24, 2023 by and between Arisz Acquisition Corp. and Finfront Holding Company (incorporated by reference to Exhibit 2.4 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
4.5	Amendment No. 4 to Merger Agreement dated July 28, 2023 by and between Arisz Acquisition Corp. and Finfront Holding Company (incorporated by reference to Exhibit 2.5 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).

4.6	<u>Joinder Agreement dated April 4, 2022 by and among Arisz Acquisition Corp. and Finfront Holding Company, BitFuFu Inc. and Boundary Holding Company (incorporated by reference to Exhibit 2.6 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.7	<u>Supplemental Joinder Agreement dated December 20, 2023 by and among Arisz Acquisition Corp., Finfront Holding Company, BitFuFu Inc. and Boundary Holding Company (incorporated by reference to Exhibit 2.7 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.8	<u>Letter Agreements, dated November 17, 2021, by and between Arisz Acquisition Corp. and each of its officers and directors (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.9	<u>Letter Agreement, dated November 17, 2021, by and between Arisz Acquisition Corp. and Arisz Investment LLC (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.10	<u>Investment Management Trust Agreement, dated November 17, 2021, between Continental Stock Transfer & Trust Company and Arisz Acquisition Corp. (incorporated by reference to Exhibit 10.3 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.11	<u>Registration Rights Agreement, dated November 17, 2021, by and among Arisz Acquisition Corp. and the initial stockholders of Arisz Acquisition Corp. (incorporated by reference to Exhibit 10.4 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.12	<u>Stock Escrow Agreement, dated November 17, 2021, by and among Arisz Acquisition Corp., Continental Stock Transfer & Trust Company and the initial stockholders of Arisz Acquisition Corp. (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.13	<u>Sponsor Support Agreement dated January 21, 2022, by and among Arisz Acquisition Corp., Finfront Holding Company and certain stockholders (incorporated by reference to Exhibit 10.7 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.14	<u>Shareholder Support Agreement, dated as of January 21, 2022 by and among certain shareholders, Finfront Holding Company and Arisz Acquisition Corp. (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.15	<u>Form of Lock-up Agreement (incorporated by reference to Exhibit 4.15 to the Shell Company Report on Form 20-F (File No. 001-41972), filed with the SEC on March 7, 2024).</u>
4.16	<u>Form of Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit 4.16 to the Shell Company Report on Form 20-F (File No. 001-41972), filed with the SEC on March 7, 2024).</u>
4.17	<u>Amended and Restated Subscription Agreements, by and between Arisz Acquisition Corp. and Arisz Investment LLC, and by and between Arisz Acquisition Corp. and Chardan Capital Markets, LLC (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.18	<u>Backstop Agreement dated as of October 13, 2022 by and among Arisz Acquisition Corp., Finfront Holding Company, BitFuFu Inc. and Arisz Investment LLC (incorporated by reference to Exhibit 10.17 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.19	<u>Amendment No. 1 to the Investment Management Trust Agreement, dated as of November 17, 2021, by and between Arisz Acquisition Corp. and Continental Stock Transfer & Trust Company, dated November 15, 2023 (incorporated by reference to Exhibit 10.21 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.20	<u>Form of Amended and Restated PIPE Subscription Agreement (incorporated by reference to Exhibit 10.22 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.21	<u>Form of PIPE Subscription Agreement (incorporated by reference to Exhibit 10.23 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
4.22	<u>Amendment to Stock Escrow Agreement dated February 29, 2024 by Arisz Acquisition Corp., Continental Stock Transfer & Trust Company and the initial stockholders of Arisz Acquisition Corp (incorporated by reference to Exhibit 4.22 to the annual report on Form 20-F (File No. 001-41972) filed by the Registrant with the SEC on April 25, 2024)</u>

8.1*	<u>List of Principal Subsidiaries</u>
10.1†	<u>Hash Computer Server Cooperation Agreement dated June 15, 2021 (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
10.2	<u>Supplementary Agreement-Novation and Assignment dated October 30, 2021 (incorporated by reference to Exhibit 10.16 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
10.3	<u>Form of Cloud Mining Service Agreement (incorporated by reference to Exhibit 10.18 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
10.4†	<u>Service Framework Agreement between Ethereum Tech Pte. Ltd and Bitmain Technologies Limited dated December 20, 2021 (incorporated by reference to Exhibit 10.19 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).</u>
10.5*†	<u>Hashrate Service Agreement between Ethereum Tech ME Limited and Bitmain Development Limited dated September 27, 2024</u>

10.6*†	Framework Sales and Purchase Agreement between Bitmain Technologies Delaware Limited and Ethereum Tech US Corporation dated December 13, 2024
10.7*	Master Loan Agreement between Antpool Technologies (BVI) Limited and Finfront Holding Company dated November 4, 2024
10.8	2022 Share Incentive Plan (incorporated by reference to Exhibit 10.8 to the Shell Company Report on Form 20-F (File No. 001-41972), filed with the SEC on March 7, 2024).
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 14.1 to the Registration Statement on Form F-4 (Reg. No. 333-276181), initially filed with the SEC on December 21, 2023).
11.2*	Amended and Restated Insider Trading Policy
12.1*	Certification by the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2*	Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1**	Certification by the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2**	Certification by the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1*	Consent of WWC, P.C. Certified Public Accountants, as the independent registered accounting firm for BitFuFu Inc.
97	Compensation Recovery Policy (incorporated by reference to Exhibit 97 to the annual report on Form 20-F (File No. 001-41972) filed by the Registrant with the SEC on April 25, 2024).
101.INS*	Inline XBRL Instance Document—this instance document does not appear in the Interactive Data File because its XBRL tags embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

† Confidential treatment has been requested for portions of this exhibit. Certain information has been redacted from this exhibit pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and would likely cause competitive harm to the registrant if publicly disclosed. The Registrant hereby agrees to furnish an unredacted copy of the exhibit and its materiality and competitive harm analyses to the SEC upon request.

All schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

BitFuFu Inc.

Date: April 21, 2025

By: /s/ Leo Lu
Name: Leo Lu
Title: Chief Executive Officer and Chairman of the Board of Directors

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BITFUFU INC.

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WWC, P.C. CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: The Shareholders and Board of Directors of
BitFuFu Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BitFuFu Inc. and its subsidiaries (collectively the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, shareholders' equity, and cash flows in each of the years for the three-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows in each of the years for the three-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Notes 2 and 4 to the financial statements, the Company changed its method of accounting for digital assets during the year ended December 31, 2024 by early adopting ASU 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Topic 350-60): Accounting for and Disclosure of Crypto Assets, effective January 1, 2024 using the modified retrospective method.

Basis for Opinion

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

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

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

WWC, P.C.
Certified Public Accountants
PCAOB ID No. 1171

We have served as the Company's auditor since 2021.
San Mateo, California

April 21, 2025

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E-MAIL: INFO@WWCCPA.COM WEBSITE: WWW.WWCCPA.COM

BITFUFU INC.
CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands except per share data)

	As of December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,201	\$ 32,005
Restricted cash and cash equivalents	6,910	-
Digital assets	129,940	43,978
Digital asset collateral receivable	12,569	-
Accounts receivable, net	10,926	3,838
Amount due from related parties	33,116	38
Prepayments	21,651	39,566

Inventory	246	-
Other current assets, net	11,710	1,844
Total current assets	265,269	121,269
Non-current assets:		
Equipment, net	55,981	81,857
Digital asset collateral receivable	47,827	-
Deposits	-	2,683
Deferred tax assets, net	8,601	4,224
Total non-current assets	112,409	88,764
Total assets	\$ 377,678	\$ 210,033

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 14,119	\$ 806
Contract liabilities	15,757	47,724
Taxes payable	2,229	2,233
Accrued expenses and other payables	8,773	5,368
Obligation to return collateral digital assets	21,436	-
Amount due to a related party	1,579	30,229
Total current liabilities	63,893	86,360

Non-current liabilities:		
Long-term payable	101,301	102,435
Long-term loans	34,950	-
Deferred tax liabilities, net	15,072	3,904
Total non-current liabilities	151,323	106,339

Total liabilities	215,216	192,699
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Commitments and contingencies (Note 21)	-	-
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LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity:		
Ordinary shares* (\$0.0001 par value; 500,000,000 shares authorized; 163,106,615 and 150,204,348 shares issued as of December 31, 2024 and 2023, respectively; and 163,106,615 and 150,000,000 shares outstanding as of December 31, 2024 and 2023, respectively)	16	15
Treasury shares (204,348 shares held as of December 31, 2023 and Nil share held as of December 31, 2024)	-	(2,000)
Additional paid-in capital	84,276	1,548
Retained earnings	78,170	17,771
Total shareholders' equity	162,462	17,334

Total liabilities and shareholders' equity	\$ 377,678	\$ 210,033
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* The share data has been retroactively restated to reflect the current capital structure of the Company

The accompanying notes are an integral part of these Consolidated Financial Statements.

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BITFUFU INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Dollar amounts in thousands except per share data)

	For The Years Ended December 31,		
	2024	2023	2022
Total revenues	\$ 463,330	\$ 284,106	\$ 198,199
Cost of revenues			
Cost of revenues – related party	(177,162)	(166,541)	(83,878)
Cost of revenues – third parties	(231,756)	(80,397)	(59,955)
Cost of revenues – depreciation and amortization	(24,690)	(24,455)	(18,134)
Total cost of revenues	(433,608)	(271,393)	(161,967)
Gross profit	29,722	12,713	36,232
Operating expenses			
Sales and marketing expenses	(7,462)	(1,863)	(1,952)
General and administrative expenses	(25,271)	(3,682)	(2,736)
Research and development expenses	(5,600)	(1,741)	(1,564)
Credit loss provision for receivables	-	(100)	(608)
Gain on sale of recovery rights on assets held by FTX	7,270	-	-
Impairment loss on assets held by FTX	-	-	(9,827)
Impairment loss on digital assets	-	(6,987)	(12,949)
Impairment loss on mining equipment	(8,076)	-	(11,850)
Unrealized loss on digital asset receivables or payables	(1,320)	-	-

Unrealized gain on digital assets	37,604	-	-
Realized gain on sales of digital assets	39,329	18,231	4,948
Realized gain on digital asset borrowings	-	-	4,206
Total operating income / (expenses)	36,474	3,858	(32,332)
Operating income	66,196	16,571	3,900
Investment income	416	-	-
Interest expense	(6,328)	(5,535)	(2,517)
Interest income	1,624	1,055	343
Other (expense)/ income, net	(277)	587	50
Income before income taxes	61,631	12,678	1,776
Income tax expense / (benefit)	7,668	2,183	(666)
Net income and total comprehensive income attributable to common stockholders	\$ 53,963	\$ 10,495	\$ 2,442
Weighted average number of shares outstanding used in calculating basic and diluted earnings per share:			
Basic*	160,988,011	150,000,000	149,383,562
Diluted*	165,500,289	150,000,000	149,383,562
Earnings per share:			
Basic*	\$ 0.34	\$ 0.07	\$ 0.02
Diluted*	\$ 0.33	\$ 0.07	\$ 0.02

* The share and per share data has been retroactively restated to reflect the current capital structure of the Company.

The accompanying notes are an integral part of these Consolidated Financial Statements.

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BITFUFU INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Dollar amounts in thousands except per share data)

	Ordinary shares		Treasury shares		Additional paid-in capital	Retained earnings	Total shareholders' equity
	Shares*	Amount	Shares*	Amount			
Balance at January 1, 2022	142,500,000	\$ 14	-	\$ -	(14)	\$ 4,834	\$ 4,834
Issuance of new ordinary shares	7,500,000	1	-	-	1,562	-	1,563
Acquisition of treasury shares	-	-	204,348	(2,000)	-	-	(2,000)
Net income	-	-	-	-	-	2,442	2,442
Balance at December 31, 2022	150,000,000	15	204,348	(2,000)	1,548	7,276	6,839
Net income	-	-	-	-	-	10,495	10,495
Balance at December 31, 2023	150,000,000	15	204,348	(2,000)	1,548	17,771	17,334
Cumulative effect upon adoption of ASU 2023-08	-	-	-	-	-	6,436	6,436
Ordinary shares issued upon Reverse Recapitalization, PIPE Financing, Backstop Financing and Stock Purchase Agreements, net of issuance costs	13,106,615	1	-	-	57,529	-	57,530
Share-based compensation expense	-	-	-	-	26,065	-	26,065
Sale of treasury shares	-	-	(204,348)	2,000	(866)	-	1,134
Net income	-	-	-	-	-	53,963	53,963
Balance at December 31, 2024	163,106,615	\$ 16	-	\$ -	\$ 84,276	\$ 78,170	\$ 162,462

* The share data has been retroactively re-stated to reflect the current capital structure of the Company.

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BITFUFU INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands except per share data)

	For the Years Ended December 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 53,963	\$ 10,495	\$ 2,442
Adjustments to reconcile net income to net cash used in operating activities:			
Net income received or to be received by digital assets	(195,679)	(183,112)	(100,981)
Impairment loss on digital assets	-	6,987	12,949
Credit loss provision for receivables	-	100	608
Gain on sale of recovery rights on assets held by FTX	(7,270)	-	-
Impairment loss on assets held by FTX	-	-	9,827
Impairment loss on mining equipment	8,076	-	11,850
Unrealized loss on digital asset receivables or payables	1,320	-	-
Unrealized gain of digital assets	(37,604)	-	-
Realized gain on sale of digital assets	(39,329)	(18,231)	(4,948)

Realized fair value gain on digital asset borrowings	-	-	(4,206)
Depreciation of equipment:			
- Servers, computers, and network equipment	43	46	23
- Mining equipment	24,690	24,455	18,134
Share-based compensation expense	26,065	-	-
Deferred income tax	6,791	4,151	(4,471)
Changes in operating assets and liabilities:			
Prepayments	(4,565)	(654)	(481)
Inventory	(142)	-	-
Amount due from/ (due to) related parties	(63,307)	(36,934)	132,799
Deposit receivables	2,683	(2,683)	-
Other current assets	3,422	(1,514)	(2,370)
Accounts payable	1,366	775	25
Customer deposit liabilities	-	-	(75,275)
Contract liabilities	-	-	(8,075)
Taxes payable	(3)	(2,893)	4,093
Accrued expenses and other payables	(394)	3,042	613
Net cash used in operating activities	(219,874)	(195,970)	(7,444)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of digital assets	184,794	222,393	71,354
Purchase of digital assets	(16,824)	(45,429)	(10,825)
Purchases of equipment	(37)	(68)	(3,855)
Net cash provided by investing activities	167,933	176,896	56,674
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of ordinary shares	75,187	-	1,563
Payment of deferred offering costs and extension fees	(10,140)	(2,352)	(1,674)
Purchase of treasury shares	-	-	(2,000)
Repayment of long-term payables	-	(7,000)	-
Net cash provided by / (used in) financing activities	65,047	(9,352)	(2,111)
Net change in cash and cash equivalents	13,106	(28,426)	47,119
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period	32,005	60,431	13,312
Cash and cash equivalents, and restricted cash and cash equivalents, end of period	45,111	32,005	60,431
SUPPLEMENTAL INFORMATION			
Cash paid for interest	1,200	3,662	1,635
Cash paid for income tax	1,278	-	784
Supplemental non-cash operating activities			
Net digital assets provided by operating activities	258,403	212,931	86,109
Supplemental non-cash investing activities			
Net digital assets used in investing activities	(213,827)	(176,964)	(82,025)
Supplemental non-cash financing activities			
Purchases of equipment included in long-term payable	-	-	109,435
Proceeds from long-term loans	34,950	-	-

The accompanying notes are an integral part of these Consolidated Financial Statements.

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

1. ORGANIZATION

BitFuFu Inc. ("BitFuFu" together with its consolidated subsidiaries, the "Company") was incorporated in the Cayman Islands on February 16, 2022 under the Cayman Islands Companies Law as an exempted company.

The Company operates under the trade name of "BitFuFu". The Company is a global leader in Bitcoin mining and comprehensive mining services, dedicated to fostering a secure, compliant, and transparent blockchain infrastructure. The Company also provides a variety of stable and intelligent digital asset mining solutions, including one-stop cloud-mining services and miner hosting services to institutional customers and individual digital asset enthusiasts. The Company maintains a fleet of advanced Bitcoin miners for efficient cloud-mining on behalf of its customers and self-mining for its own account, allowing it to seamlessly adjust business strategies and reduce risk exposure.

As of the date of this report, the details of the Company's principal subsidiaries are as follows:

Entity	Date of incorporation/ acquisition	Place of incorporation	Percentage of direct or indirect ownership by the Company		Principal activities
			Direct		
			2024	2023	
			<u>Subsidiaries:</u>		
Finfront Holding Company ("Finfront")	July 22, 2021	Cayman Islands	100%	100%	Investment holding
Ethereal Tech Pte. Ltd. ("Ethereal Singapore")	October 22, 2021	Singapore	100%	100%	Provision of cloud mining services, miner hosting services, mining equipment sales and lease and sourcing services for mining equipment sales

Ethereal Tech US Corporation ("Ethereal US")	December 15, 2021	United States	100%	100%	Provision of self-mining activities and mining equipment sales
Ethereal Tech ME Limited	August 20, 2024	United Arab Emirates ("UAE")	100%	-	Provision of cloud mining services, self-mining activities, miner hosting services and mining equipment sales
Finfront Tech Company	June 28, 2024	Cayman Islands	100%	-	Investment holding
Cloudmap Tech Group Limited	June 11, 2024	Hong Kong Special Administrative Region	100%	-	Investment holding
Lonshi Tech Canada Limited ("Lonshi")*	November 22, 2022	Canada	-	100%	Dormant

* The entity was dissolved during the year.

Finfront Holding Company ("Finfront") was incorporated in the Cayman Islands on July 22, 2021 under the Cayman Islands Companies Act as an exempted company with limited liability, which survives the Acquisition Merger as a wholly-owned subsidiary of BitFuFu upon the Closing of the Business Combination (as defined below).

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BITFUFU INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

Merger with Arisz Acquisition Corp.

Arisz Acquisition Corp. ("Arisz") was a blank check company incorporated in the state of Delaware on July 21, 2021. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities.

On February 29, 2024 (the "Closing Date"), Finfront and Arisz consummated the merger (the "Reverse Recapitalization" or the "Business Combination") pursuant to the Merger Agreement, dated as of January 21, 2022 (as amended as of April 4, 2022, October 10, 2022, April 24, 2023 and July 28, 2023), by and between Arisz and Finfront. The Business Combination was effected in two steps: On February 29, 2024, (1) Arisz merged with and into the Company (the "Redomestication Merger"), with the Company surviving the Redomestication Merger as a publicly traded entity; and (2) immediately following the Redomestication Merger, Boundary Holding Company, the subsidiary of the Company, merged with and into Finfront (the "Acquisition Merger"), with Finfront surviving the Acquisition Merger as a wholly-owned subsidiary of the Company.

The listed company following the Business Combination is BitFuFu Inc., and its Class A Ordinary Shares and warrants commenced trading on the Nasdaq Stock Market under the ticker symbols "FUFU" and "FUFUW", respectively, starting from March 1, 2024.

The transaction was accounted for as a "reverse recapitalization" in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Under this method of accounting, Arisz was treated as the "acquired" company for financial reporting purposes. This determination is primarily based on the fact that subsequent to the Reverse Recapitalization, senior management of Finfront continues as senior management of the combined company; Finfront identifies a majority of the members of the board of directors of the combined company; the trade name of the combined company is BitFuFu, and it utilizes the Company's current headquarters, and Finfront's operations comprise the ongoing operations of the combined company. Accordingly, for accounting purposes, the financial statements of the Company will represent a continuation of the financial statements of Finfront, with the net identifiable assets of Arisz deemed to have been acquired by Finfront in exchange for Finfront common shares accompanied by a recapitalization, with no goodwill recorded. All share and per share data has been retroactively restated to reflect the current capital structure of the Company.

On November 22, 2021, Arisz sold warrants, together with its common stocks and rights, to the public and to Arisz Investments LLC, a Delaware limited liability company affiliated with Arisz's chairman and chief executive officer ("Sponsor"), in a private placement in connection with Arisz's initial public offering. On December 19, 2023, BitFuFu Inc., Arisz and Continental Stock Transfer & Trust Company entered into a supplemental warrant agreement (the "Supplemental Warrant Agreement"), pursuant to which, BitFuFu assumed the obligations of Arisz under that certain warrant agreement, dated November 17, 2021, by and between Arisz and Continental Stock Transfer & Trust Company (the "Existing Warrant Agreement"). Pursuant to the Business Combination Agreement and the Supplemental Warrant Agreement, each issued and outstanding warrant of Arisz (the "Warrants") were exchanged for a corresponding warrant exercisable for Class A Ordinary Shares.

The Warrants have the same terms as the Arisz Warrants. Each Warrant entitles the holder thereof to purchase three-fourths (3/4) of one Class A Ordinary Share at a price of \$11.50 per full share. The Company will not issue fractional shares. As a result, a warrant holder must exercise its Warrants in multiples of four, at a price of \$ 11.50 per full share, subject to adjustment, to validly exercise the Warrants. The Warrants became exercisable on the completion of the Business Combination and will expire five years after the consummation of the Business Combination.

The Company may redeem the outstanding Warrants (excluding the private warrants that are part of the Private Units), in whole and not in part, at a price of \$0.01 per warrant, when all below criteria are met:

- at any time while the warrants are exercisable,

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BITFUFU INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

- upon not less than 30 days' prior written notice of redemption to each warrant holder,
- if, and only if, the reported last sale price of the Class A Ordinary Shares equals or exceeds \$16.50 per share, for any 20 trading days within a 30-trading day period ending on the third business day prior to the notice of redemption to warrant holders, and
- if, and only if, there is a current registration statement in effect with respect to the Class A Ordinary Shares underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

Warrant activity during the year ended December 31, 2024, was as follows:

Weighted

Weighted

	Number of Warrants	Average Exercise Share Price \$	Total Intrinsic Value \$	Average Remaining Contractual Life (in years)
Outstanding as of February 29, 2024	7,176,389*	11.50	-	5.00*
Issued, exercised or cancelled	-	-	-	-
Outstanding as of December 31, 2024	7,176,389	11.50	-	4.17

* The data have been retroactively restated to reflect the current capital structure of the Company.

The Company evaluated the Warrants in accordance with the guidance at ASC 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging, and determined that they should be classified as equity instruments, with no recurring fair value measurement required. The Warrants are indexed to the Company's common stock and are required to be settled through physical settlement, if exercised. Accordingly, the Warrants were recorded at fair value on the Closing Date with no subsequent remeasurement.

The relative fair value of the Warrants at grant date was estimated to be approximately \$3.39 million to additional paid-in capital in the Consolidated Balance Sheets as the Warrants were determined to be equity classified, with the corresponding debit as an issuance cost of the related Ordinary Shares issued by Reverse Recapitalization, PIPE Financing, Backstop Financing and Stock Purchase Agreements. The fair value of the Warrants was determined by utilizing a Black-Scholes model, considering all relevant assumptions at the Closing Date.

Following are the assumptions (Level 3 significant unobservable inputs) used in valuing the Warrants on February 29, 2024 (non-recurring basis):

	As of February 29, 2024 (the Closing Date)
Risk-free interest rate	4.26%
Remaining expected term (in years)	5.00
Expected volatility	27.51%
Stock price on valuation date	\$ 6.03
Exercise price	\$ 11.50
Expected dividend rate	-%

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying Consolidated Financial Statements of the Company include the financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Significant accounting policies followed by the Company in the preparation of the accompanying Consolidated Financial Statements are summarized below.

Principles of consolidation

The accompanying Consolidated Financial Statements include the accounts of BitFuFu Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors (the "Board"); and to cast majority of votes at the meeting of the Board or to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

Use of estimates

The preparation of the Consolidated Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported period in the Consolidated Financial Statements and accompanying notes. Significant accounting estimates reflected in the Company's Consolidated Financial Statements mainly include, but are not limited to, standalone selling price of each distinct performance obligation in revenue recognition, useful lives and recoverability of long-lived assets, the realizability of deferred tax assets, valuation of the Warrants classified under Level 3 fair value hierarchy, measurement of digital assets, valuation and recognition of share-based compensation, the fair value of derivatives and other contingencies. Actual results could differ from those estimates.

Foreign currency

The Company's reporting currency is the U.S. dollars. The functional currency of the Company and its subsidiaries which are incorporated in Cayman Islands, Singapore, United States, UAE and Hong Kong are in U.S. dollars. The determination of the respective functional currency is based on the criteria set out by ASC 830, Foreign Currency Matters.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand, time deposits and highly liquid investments placed with banks or other financial institutions, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less. As of December 31, 2024, the Company had cash and cash equivalents of approximately \$38.20 million, of which \$37.13 million was held in financial institutions in Singapore, \$0.47 million and \$0.58 million was held in financial institutions in the US and UAE, respectively. The Company maintains its cash and cash equivalents in the financial institutions, which, at times, may exceed regulated insured limits. The Company believes it is not exposed to significant credit risk on cash and cash equivalents.

Restricted cash and cash equivalents

The Company holds restricted cash deposits with financial institutions. The restricted deposits related to deposits payable to third parties under mining facility lease contracts located in the United States. These restricted balances were subsequently paid to the respective third party in January 2025.

The following is a reconciliation of cash, cash equivalents, and restricted cash and cash equivalents in the Consolidated Balance Sheets to the total of the amounts in the Consolidated Statements of Cash Flows:

	As of December 31,		
	2024	2023	2022
Cash and cash equivalents	38,201	32,005	60,431
Restricted cash and cash equivalents	6,910	-	-
Total cash and cash equivalents, and restricted cash and cash equivalents	45,111	32,005	60,431

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BITFUFU INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

Accounts receivable, net

Accounts receivable consists of amounts due from customers of the cloud-mining business, mining equipment sales, and self-mining operations. The Company records accounts receivable at the invoiced amount less an allowance for any potentially uncollectable accounts under the current expected credit loss ("CECL") impairment model and presents the net amount of the financial instrument expected to be collected. The CECL impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, that considers many factors, including the age of the balance, collection history, secured and collaterals (if any), and forecasts of future economic conditions. Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). The Company recorded the balance of allowances for CECL of approximately \$0.32 million for both December 31, 2024 and December 31, 2023. For the years ended December 31, 2024 and 2023, the Company did not record any credit recoveries.

The Company offered credit periods to some customers of cloud mining services. The accounts receivable due from those customers were denominated in U.S. dollars, interest bearing and secured by pledging digital assets to the Company. The Company implements robust risk management practices to address potential credit risks associated with customer defaults, retaining the right to liquidate the pledged digital assets if customers fail to meet their obligations. The Company continuously and systematically monitors the fair value of the digital assets pledged as collateral against the outstanding obligations of customers for cloud mining services. If the value of a customer's pledged digital assets falls below the required collateral level, the customer is obligated to deposit additional collaterals to the Company. Due to the collateral requirements the Company applies to such receivables, the Company's process for collateral maintenance, and collateral held by the Company, the Company's credit exposure is significantly limited and no allowance, write-offs or recoveries were recorded against could mining receivables. The Company would recognize credit losses on these receivables if there was a collateral shortfall and it is not reasonably expected that the customer will replenish such a shortfall, nor will repay the outstanding balance cover such shortfall.

Digital assets pledged by the customers to the Company were recorded in the Digital Assets on the Consolidated Balance Sheets, as the Company had obtained control of these pledged digital assets, including the rights to sell, re-pledge, or rehypothecate the collaterals. The liability to return the collateral digital assets was recorded accordingly on the Consolidated Balance Sheets (See discussion of accounting for "Obligation to Return Collateral Digital Assets" below).

Digital assets

Prior to the adoption of ASU 2023-08, digital assets are accounted for as indefinite lived intangible assets. They are presented as current assets within the consolidated balance sheets. An intangible asset with an indefinite useful life is not amortized but assessed for impairment whenever events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the digital assets in the principal market at the time its fair value is being measured, and the Company recognized an impairment loss in an amount equal to that excess. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. The Company tracks its cost basis of digital assets in accordance with the first-in-first-out ("FIFO") method of accounting.

Following the early adoption of Accounting Standards Update ("ASU") 2023-08, Accounting for and Disclosure of Crypto Assets, since January 1, 2024, digital assets held at period end are recorded at fair value, and changes in fair value are recognized in Operating expense on the Consolidated Statements of Comprehensive Income.

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BITFUFU INC.

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Digital assets collateralized to the lender were reported as "Digital assets collateral receivable" and classified as short-term or long-term assets on the Consolidated Balance Sheets according to the maturity of the related loans for which the digital assets were pledged.

The Company primarily holds digital assets for long-term price appreciation and plans to sell them to support operations as needed. Purchases and sales of digital assets for fiat currency are classified as investing activities in the Company's consolidated cash flow statements.

Digital assets held as collateral

Digital assets held as collateral from customers are initially recorded at cost and subsequently remeasured at fair value, with changes in fair value recognized in Operating expenses on the Consolidated Statements of Comprehensive Income. Fair value is determined using quoted digital asset prices from the Company's principal market at the time of measurement. Digital assets held as collateral include those digital assets under the Company's control and may exceed the required contractual amounts. These assets are derecognized from the Consolidated Balance Sheets when the collateral is returned to customers or when it is sold or rehypothecated. Gains and losses upon derecognition are calculated on a cost basis.

Borrowings and related collateral

Long-term loans

The Company borrowed loans from counterparties. The loans are denominated in U.S. dollars with fixed interest rates. Long-term loans are carried at amortized cost. Transaction costs are recorded as direct deductions from the related loan liabilities and amortized to interest expense using the effective interest method over the terms of the term loans. Interest expense on debt includes long-term loan interest expense, as well as amortization of debt issuance costs.

Loans are classified as non-current liabilities unless they are due within one year.

Digital assets collateral receivable

The Company enters into borrowing arrangements with institutions that require it to pledge certain digital assets as collateral and maintain a specified collateral ratio. When the lender obtains control or has the right to sell, pledge, or rehypothecate the collateral, the Company derecognizes the pledged digital assets and recognizes a receivable from the lender.

Digital assets pledged as collateral are initially measured at fair value on the date they are received. Subsequently, the fair value of the pledged collateral is reassessed periodically, with any changes in fair value recognized in the Company's financial statements. Upon the Company's full repayment of its obligations, the lender is obligated to return the same quantity and type of digital assets originally posted as collateral.

Digital assets pledged are classified as current or non-current based on the maturity of the term loan, which determines the expected release date. Changes in the fair value of the receivable are recorded in Operating expenses on the Consolidated Statements of Comprehensive Income.

The Company assessed the CECL on its digital asset collateralized receivables using the current expected credit loss impairment model. This model requires the Company to estimate expected credit losses over the contractual life of the financial instrument and to present the net amount expected to be collected.

In developing the CECL estimate, the Company considered various factors, including the age of the receivable balances, historical collection patterns, the existence and quality of collateral (such as digital assets), and forward-looking information regarding macroeconomic conditions. Any changes to the expected credit loss estimate are recorded as a credit loss expense or reversal in the income statement.

For the financial year, the Company did not record any allowance for CECL on the digital asset collateralized receivables.

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BITFUFU INC.
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Obligation to return collateral digital assets

The Company enters into lending arrangements with its cloud mining customers that require the customers to pledge crypto assets as collateral. The Company records such obligation to return collateral to the customers as "obligation to return collateral digital assets" on the Consolidated Balance Sheets.

Obligation to return collateral digital assets are initially measured at the fair value of the digital assets received (which becomes the Company's cost basis) if the Company has the right to sell, pledge, or rehypothecate the collateral, and subsequently are remeasured at fair value at the end of each reporting period, with changes in fair value recognized in Consolidated Statement of Comprehensive Income.

The loan agreements with the customers stipulate that collateral shall be returned in the same type of asset originally provided by the Company assuming no defaults. The Company is not obligated to return collateral equal to the fair value of the borrowings if the customer defaults on its loans. Instead, the Company has the right to liquidate the collateral to cover outstanding obligations.

Obligation to return collateral to customers is in the form of digital assets and accounted for as a hybrid instrument, with a liability host contract that contains an embedded derivative based on the changes in fair value of the underlying digital asset. The gain or loss on remeasurement of the Obligation to return collateral is recorded in Operating expenses on the Consolidated Statements of Comprehensive Income.

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BITFUFU INC.
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Realized gain or loss on sale of digital assets

The Company accumulates Bitcoin mined through its self-mining operation and exchanges Bitcoin for fiat currencies at established cryptocurrency exchanges, such as Coinbase or Binance, to satisfy its working capital needs from time to time. The Company also receives other digital assets, such as Bitcoin (BTC), Ethereum (ETH), Bitcoin Cash (BCH) and Tether (USDT), as payments for its cloud mining service and hosting services. Digital assets that are received as service payments are converted into USDT and then U.S. dollars. The difference between the cost of the sold digital assets and the fair value of the digital assets received in exchange for fiat currency is recognized as Realized Gain on Sales of Digital Assets on the Consolidated Statements of Comprehensive Income. The Company recognizes realized gains or losses when digital assets are sold on an exchange for other digital assets, or for cash consideration using a first-in first-out method of accounting.

Equipment, net

Equipment is stated at cost less accumulated depreciation and impairment loss, if any. Equipment is depreciated at rates sufficient to write off their costs less impairment and residual value, if any, over their estimated useful lives (3-5 years) on a straight-line basis.

Impairment of long-lived assets other than goodwill

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount may not be fully recoverable. When these events occur, the Company evaluates the impairment by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Company recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

For the year ended December 31, 2024, the Company recorded an impairment charge of approximately \$8.08 million related to the miners purchased in 2022. The impairment in 2024 was primarily triggered by lower projected net cash flows from the mining equipment purchased in 2022, due to combination of market forces and price fluctuation in BTC. Accordingly, these conditions were identified as impairment indicators under the applicable accounting standards. No impairment loss was recorded for the year ended December 31, 2023.

Leases

The Company accounts for its leases under ASC 842, Leases. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the Consolidated Balance Sheets as both a right of use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right of use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right of use asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recorded when incurred. For leases with a term of 12 months or less, any fixed lease payments are recognized on a straight-line basis over the lease term and are not recognized on the Company's Consolidated Balance Sheet as an accounting policy election.

As the lessee, there were no lease assets included on our Consolidated Balance Sheets for leased equipment as of December 31, 2024 and 2023, since all the leases of the Company are less than 12 months, and the Company employed the practical expedient for leases with terms for less than 12 months and did not account for such leases as right of use assets with corresponding lease obligations.

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Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") ASC 480 "Distinguishing Liabilities from Equity" ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of equity at the time of issuance. The Company concluded that warrants issued pursuant to the Existing Warrant Agreement and Supplemental Warrant Agreement qualify for equity accounting treatment.

Fair value of financial instruments

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Company considers the principal or most advantageous market in which it would transact, and it also considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — Observable inputs other than Level 1 prices, for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3 — Unobservable inputs which are supported by little or no market activity and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Financial assets and liabilities of the Company primarily consist of cash and cash equivalents, accounts receivable, deposits and other receivables, accounts payables, other payables, long-term loans and long-term payables. As of December 31, 2024 and 2023, the carrying values of these financial instruments approximated their fair values.

Contract liabilities

A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Revenue for future goods or services reflected in this account are recognized, and the contract liability is reduced, as the Company subsequently satisfies the performance obligation under the contract. Contract liabilities primarily represent 1) cloud mining service fees prepaid by customers for which the relevant services have not been provided; 2) prepayment from customers for the Company's sales of mining equipment for which the equipment has not been delivered.

The revenue recognized during the years ended December 31, 2024 and 2023 for the beginning balance of contract liabilities was \$47.72 million and \$6.44 million, respectively.

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Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Company's performance:

- (i) provides all of the benefits received and consumed simultaneously by the customer; or
- (ii) creates and enhances an asset that the customer controls as the Company performs; or
- (iii) does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Cloud mining solutions

The Company sells to customers one-stop cloud-mining solutions so that the customer can earn rewards of mining in the form of digital assets by using the purchased hash rate from the Company.

- **Contract with customers:** The Company typically posts the formatted Cloud Mining Service Agreement ("Agreement") on its website. The customers approve the Agreement by clicking on and agreeing to such agreement on the Company's website before purchasing specific cloud mining services. The Agreement is a framework agreement, and the details of the specific cloud mining services purchased are provided for in the customer's order submitted, which includes amount of hash rate, service period, unit price of service, payment terms and payment method etc. The order is an integrated part of the contract between the customer and the Company. Both parties are therefore committed to perform their obligations. Pursuant to the Agreement, the rights of the customer include, among others, (a) to choose a mining pool to which the hash calculation services they purchased will be provided; (b) to get the purchased hash calculations provided to the designated mining pool; and (c) to obtain the stably operated hash calculations during the "agreed service period" as stipulated in the order. The rights of the Company include, among others, to (a) receive consideration from the customer (i.e., service fees) in exchange of the cloud mining service provided; (b) unilaterally terminate the Agreement and cease to provide its services without penalty if the use of such services violates the laws and regulations of the customer's country, or if the customer fails to pay in full or in part of the service fees and (c) if the Company suffers any loss due to the above circumstances, customer shall compensate the Company for all such losses.
- **Identifying performance obligations:** The cloud mining service that the Company promises to provide to a customer is to provide specified amount of hash calculations services ("Purchased Hash Rate") during the agreed service period to a customer by connecting Purchased hash rate to the customer's account with the designated mining pool and ensuring the Purchased Hash Rate is running stably and continuously during the agreed service period. Management has determined that there is a single performance obligation, such that each promise is not distinct and required to be combined into a single performance obligation.
- **Determining the transaction price:** In exchange of promised service, the Company charges customers cloud mining service fees, which are specified in the order agreed by the customer and the Company and calculated by "unit price of cloud mining service fees * amount of Purchased Hash Rate * agreed service period". The "unit price of cloud mining service fees" is determined based on internal pricing model of the Company and agreed by both parties when the order is placed and fixed during the agreed service period denominated in \$. The "amount of Purchased Hash Rate" and "agreed service period" are also fixed as specified in the order before the provision of relevant services. The contract allows for settlement in dollars or in digital assets, which is a non-cash means of settlement. In the event that a customer chooses to settle in digital assets, he/she must pay the dollar equivalent at the then spot rate for the dollar to the digital asset at the moment of settlement. Customers are generally charged an upfront service fee and will pay the remaining service fees by instalments before they are incurred. Upon payment, the cloud mining services fees are recorded as deferred revenue under contract liabilities and recognized to revenue as the performance obligation is fulfilled. The Company offers interest-bearing credit periods to some customers within the agreed service period, which requires BTC as collateral to secure the collection of accounts receivable. See discussion of accounting for "*Accounts Receivable*" and "*Obligation to Return Collateral Digital Assets*" above.

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- There is no need to allocate the transaction price since there is a single performance obligation.
- **Satisfaction of a performance obligation and revenue recognition:** Initially, the Company deploys miners sourced from its suppliers or miners owned by the Company, and further renders these miners operational and remotely accessible by procuring mining equipment hosting service, including data center rack space, electricity supply, network connectivity, hardware maintenance, and other necessary infrastructure services from the same or other suppliers. The Company then repackages the services of providing hash calculations using these miners and integrates it with other critical services such as performance monitoring, hash rate stabilization, and connection with mining pools. Thus, the Company creates a one-stop mining capability that can be sold in the form of cloud mining services. The Company then sells cloud-mining services to its customers by transferring the control of the sub-divided mining capacities. The Company accounts for the sale of cloud-mining services using the gross method as the Company acts as a principal who procures the right to utilize mining equipment and other infrastructures from various suppliers to provide hash calculations, and repackages and integrates such services with other critical services to form a combined service that is the cloud-mining service, and transfers control of the cloud-mining service to its customers. When the Company delivers the Purchased Hash Rate by providing hash calculations to the mining pool designated by the customer, the control of such Purchased Hash Rate has been transferred to the customer simultaneously. In accordance with the Company's Agreement with its customers, the Company is not responsible for the output of the mining pool or the act of mining pool operator. In addition, the Company does not have any explicit or implicit repurchase agreement with customers.

The Company transfers control of cloud mining service over time, because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs. Therefore, the Company satisfies its sole performance obligation over time and recognizes revenue over time by measuring the progress toward complete satisfaction of such performance obligation. The Company's system records the amount of hash calculations and its actual service time period for each order during each month, and the completion progress of each order's performance obligation can be calculated according to the proportion of the actual service time period to the whole agreed service period.

Cryptocurrency self-mining revenue

The Company has entered into framework agreements, as amended from time to time, with mining pool operators to perform hash calculations for the mining pools. Each party has the unilateral right to terminate the contract at any time without any compensation to the other party for such termination. Therefore, the Company has concluded that the duration of the contract is less than 24 hours and that the contract is continuously renewed throughout the day. The Company has determined that the mining pool operator's renewal right is not a material right as the terms, conditions, and compensation amounts are at then market rates. Upon contract termination, the mining pool operator (i.e., the customer) is required to pay the Company any amount due that is related to previously satisfied performance obligations.

The Company's enforceable right to compensation only begins once the Company commences performing hash calculations for the mining pool operators. The Company is entitled to compensation regardless of whether the mining pool operators successfully record a block to the Bitcoin blockchain. Providing a service to perform hash calculations for the pool operators is the only performance obligation in the Company's arrangements with mining pool operators and is an output of the Company's ordinary activities.

The Company is entitled to a non-cash consideration at an amount that approximates the total Bitcoins that could have been mined using the hash calculations performed by the Company according to the pool operator's specification over the 24-hour period ended 23:59:59 UTC, based upon the then current blockchain difficulty. The Bitcoin payout is settled on the following day, on a daily basis. The payout method used by the mining pools in which the Company participated is the Full-Pay-Per-Share ("FPPS") method. The Company's total compensation is calculated using the following formula: the sum of the Company's share of (1) block rewards and (2) transaction fees, less (3) mining pool operating fees.

- (1) Block rewards represent the Company's share of the total amount of block subsidies that are expected to be generated on the Bitcoin network as a whole based on the following factors determined for the 24-hour period beginning at midnight UTC daily. The block reward earned by the Company is calculated by dividing (a) the total amount of hash calculations the Company provides to the mining pool operator, by (b) the total Bitcoin network's implied hash calculations (as determined by the Bitcoin network difficulty), multiplied by (c) the total amount of block subsidies that are expected to be generated on the Bitcoin network as a whole. The Company is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.

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- (2) Transaction fees represent the Company's share of the total fees paid by users of the network to execute transactions during the 24-hour period ended 23:59:59 UTC. Under FPPS, the transaction fees paid out by the mining pool operator to the Company is calculated by dividing (a) the total amount of transaction fees that are actually generated on the Bitcoin network as a whole during the 24-hour period beginning at midnight UTC daily, by (b) the total amount of block subsidies that are actually generated on the Bitcoin network as a whole during that 24-hour period, multiplied by (c) the Company's block rewards earned as calculated in (1) above.
- (3) Mining pool operating fees are charged by the mining pool operator for operating the mining pool as set forth on a rate schedule to the mining pool contract. The mining pool operating fees reduce the total amount of compensation the Company receives and are only incurred to the extent that the Company has generated mining revenue pursuant to the mining pool operators' payout calculation during the 24-hour period beginning at midnight UTC daily.

The non-cash consideration received in exchange for the Company's performing hash calculations, including block rewards and transaction fees, is variable because it depends, in part, on the amount of hash calculations the Company performs in accordance with the pool operator's specifications and the amount of transaction fees of the entire blockchain network for the 24-hour period, beginning at midnight UTC. The mining pool operating fees are also variable because they are calculated as a small fraction of the sum of the block rewards and the transaction fees, in accordance with the agreement with each mining pool operator. The Company is able to estimate the amount of variable consideration related to the block reward component on the date of contract inception because (a) the total amount of hash calculations the Company provides to the mining pool operator, (b) the total Bitcoin network's implied hash calculations and (c) the total amount of block subsidies that are expected to be generated on the Bitcoin network as a whole are either fixed or can be estimated on the date of contract inception. However, the Company is not able to reliably estimate the amount of variable consideration related to transaction fee component until 23:59:59 UTC on the date of contract inception, because of the uncertainty of the actual amount of transaction fees of the entire blockchain network for that day. The mining pool operators will confirm the considerations for the 24 hours, including the block rewards, the transaction fees, and the mining pool operating fees at 23:59:59 UTC each day.

For each contract, the Company measures the non-cash consideration using the average of daily quoted U.S. dollar spot rate of Bitcoin on the date of contract inception. For each contract, the Company recognizes the non-cash consideration on the same day that control of the contracted service transfers to the mining pool operator, which is the same day as the contract inception.

Sale of mining equipment

The Company sells mining equipment to customers. Before the Company receives orders from customers, the Company signs a purchase agreement with suppliers and places purchase orders to the suppliers. The mining equipment is usually delivered to the Company one month after the purchase orders are presented to the suppliers. Upon taking control of the mining equipment, title also passes to the Company. The Company has neither an explicit nor implicit repurchase right or obligation for the sold mining equipment. If mining equipment purchased from the suppliers remains unsold, the mining equipment is non-returnable and kept in inventory. Since there is no guarantee of any sales orders, the Company takes inventory risk before mining equipment is sold to customers. Management believes there is a single performance obligation related to the sale of mining equipment. Revenue for mining equipment sales is recognized at a point of time when the control of the mining machine is transferred from the Company to the customer, evidenced by documentation of delivery and customer acceptance. The Company may receive payments prior to delivery of the mining equipment and records funds received as contract liabilities, or the Company may receive payment for the mining equipment within thirty days of delivery of the mining equipment. Deferred revenue is recognized as revenue upon delivery.

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Hosting services

- **Contract with customers:** Pursuant to the "Miner Hosting Service Contract" ("Hosting Contract") agreed by the Company and the customers, the Company will provide hosting services to the customers, who shall confirm they are entitled to the ownership of the hosted mining equipment ("Miners"). When the Miners are hosted, the customers retain the right to ownership of the hosted Miners and are entitled to all the rights and benefits derived outputs generated by the hosted Miners. The Hosting Contract may be terminated by the customer without penalty if the customer applies for termination of hosting service 30 days in advance, or if the deployment and the start date of operation of the hosted service is delayed over ten days. The Hosting Contract may be terminated by the Company without penalty in several circumstances as agreed in the contract. If the hosting services are terminated, the customers have the right to either entrust the Company to sell the mining equipment at the market price on their behalf, or the customers can physically retake possession of the equipment and any logistics costs incurred in retaking the equipment shall be borne by the customers.
- **Identifying performance obligations:** According to the Hosting Contract, the customer entrusts the Company to deploy, operate and manage the customer's Miners. The hosting services include electricity supply, network supply, maintaining a suitable environment and safeguarding the hosted Miners, providing tools to the customers to monitor and timely verify the operation status of the hosted Miners, performing site visit and inspection on facilities, proposing optimization plans for the operational stability of the hosted Miner and working with the mining facility for implementation. Since the performance obligations are satisfied over time and the same method (consumption method) is used to measure the Company's progress toward complete satisfaction of the performance obligation, the above activities are a series of distinct services that have the same pattern of transferring to the customer.
- **Determining the transaction price:** By providing the above services, the Company charges a hosting service fee to the customers on a consumption basis, that is, hosting service fee = power consumption * unit service price. The Company typically receives payment upfront for such services which it records as contract liabilities, or the Company deducts service fees daily from the customer's digital asset deposit in accordance with the Hosting Contract, if applicable.
- There is no need to allocate the transaction price since there is only one single performance obligation.
- **Satisfaction of a performance obligation and revenue recognition:** The Company's performance obligation related to the hosting service is satisfied over time. The Company recognizes revenue for services that are performed on a consumption basis.

Management has determined that the aforementioned services represent a series of performance obligations that should not be separated and recognized individually, but rather, as a whole over time in accordance with the Hosting Contract entered into by the Company and the customer.

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Cost of revenues

The cost of revenues is primarily consistent with the revenue streams. This includes expenses such as lease costs of mining equipment, depreciation expenses of self-owned mining equipment, outsourcing fees, electricity costs, platform technology fees, web service fees, salaries, allocated overhead, and sourcing expenses.

Sales and marketing expenses

Sales and marketing expenses primarily comprise sales commissions, advertising expenses, marketing and promotional expenses, salaries, and share-based compensation for sales and marketing personnel. Advertising expenses specifically include costs related to promoting the corporate image and marketing products. The Company expenses all advertising costs as they are incurred.

General and administrative expenses

General and administrative expenses primarily include salaries, bonuses, share-based compensation and benefits for employees engaged in general corporate functions and those not specifically dedicated to research and development activities. Additionally, these expenses encompass depreciation of fixed assets that are not utilized in research and development activities, legal and other professional services fees, and other general corporate related expenses.

Research and development expenses

Research and development expenses primarily comprise payroll, share-based compensation and related personnel costs, as well as technical service fees associated with the enhancement of the Company's platform and technical system. These expenses are expensed as they are incurred.

Income taxes

Current income taxes are recorded in accordance with the regulations of the relevant tax jurisdiction. The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, Income Tax, ("ASC 740 - Income Taxes"). Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax basis, and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of comprehensive income in the period of change. Valuation allowances are established when necessary to reduce the amount of deferred tax assets if it is considered more likely than not that amount of the deferred tax assets will not be realized.

The Company records liabilities related to uncertain tax positions when, despite the Company's belief that the Company's tax return positions are supportable, the Company believes that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense.

Comprehensive income

The Company applies ASC 220, *Comprehensive Income*, ("ASC 220"), with respect to reporting and presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income is defined to include all changes in equity of the Company during a period arising from transactions and other events and circumstances except those resulting from investments by shareholders and distributions to shareholders. For the years presented, the Company's comprehensive income was equal to net income.

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Segment reporting

ASC 280, *Segment Reporting*, ("ASC 280"), establishes standards for companies to report in their financial statements information about operating segments, products, services, geographic areas, and major customers.

Based on the criteria established by ASC 280, the chief operating decision maker ("CODM") has been identified as the Company's Chief Executive Officer. The CODM has determined that the Company operates as a single operating segment and uses net income (loss) and operating income (loss) as measures of profit or loss on a consolidated basis when making decisions regarding resource allocation and performance assessment. The Company's key financial metrics used by the CODM help make key operating decisions, include significant acquisitions and allocation of budget between cost of revenues, sales and marketing, general and administrative and research and development expenses.

Information regarding the Company's net income (loss) and operating income (loss) is disclosed in the Consolidated Statements of Comprehensive Income. Segment expenses and other items are reviewed by the CODM on the same basis as presented in the Consolidated Statements of Comprehensive Income. The CODM does not separately evaluate performance or allocate resources based on segment assets. As a result, asset information by segment is not presented.

Share-Based Compensation

The Company grants restricted share rewards to employees and non-employees, and accounts for share-based compensation expenses in accordance with ASC 718, Compensation—Stock Compensation.

The fair value of granted shares without a lock-up period is based on the market price of the Company's ordinary share on the date of each grant. The fair value of granted shares with a lock-up period is based on the discounted market price of the Company's ordinary share on the date of each grant, which is discounted using Asian-style put option method. The Asian-style model is affected by factors and assumptions, such as the market price of underlying ordinary shares, expected volatility, remaining term of lock-up period, and expected dividend yield.

Share-based compensation expense for the restricted share rewards with only service-based conditions is recognized on a straight-line basis over the requisite service period. The Company accounts for forfeitures as they occur and reverses compensation cost previously recognized in the period the award is forfeited.

Earnings per share

In accordance with ASC Topic 260, Earnings per Share ("ASC 260"), basic earnings per common share is net income divided by the weighted average number of common shares outstanding during the period. ESOP shares are considered outstanding for this calculation unless unearned. All outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends are considered participating securities for this calculation. Diluted earnings per common share includes the dilutive effect of additional potential common shares issuable under stock options. Ordinary share equivalents are excluded from the computation of diluted earnings per share if their effects would be anti-dilutive. There are no dilutive shares outstanding.

Concentration of credit risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, digital assets, accounts receivable and other receivables. The Company places cash and cash equivalents with financial institutions with high credit ratings and quality. From time to time, the Company's cash account balances exceed the balances covered by the Federal Deposit Insurance Corporation ("FDIC") in the US, or the Singapore Deposit Insurance Corporation Limited (SDIC) in Singapore. The Company has never suffered a loss due to such excess balances. The Company conducts credit evaluations of customers, and generally does not require collateral or other security from its customers. The Company establishes an allowance for expected credit losses primarily based upon various factors surrounding the credit risk of specific customers and general economic conditions, to refer to the current expected credit loss policy.

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

The Company held for its own account digital assets of approximately \$129.94 million and \$43.98 million as of December 31, 2024, and 2023, respectively.

Related party transactions

Parties are considered related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Recent accounting pronouncements

The Company maintains a proactive approach in evaluating the impact of new accounting pronouncements on its financial reporting. Upon identifying potential effects on its financial statements, the Company conducts a thorough analysis to assess the necessary adjustments to its Consolidated Financial Statements. Furthermore, the Company conducts a comprehensive review to understand the implications of the changes and ensures the implementation of appropriate controls to safeguard the accuracy and integrity of its Consolidated Financial Statements.

New and amended standards adopted by the Company:

Accounting Standards Update (ASU) No. 2023-07, Improvements to Reportable Segment Disclosures (Topic 280): Segment Reporting

On November 27, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 amends ASC 280, Segment Reporting ("ASC 280") to expand segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the Company's chief operating decision maker ("CODM"), the amount and description of other segment items, the title and position of the CODM, and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. ASU 2023-07 further permits disclosure of more than one measure of segment profit or loss and extends the full disclosure requirements of ASC 280 to companies with single reportable segments. The Company adopted ASU 2023-07 on January 1, 2024, which did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update (ASU) No. 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Topic 350-60): Accounting for and Disclosure of Crypto Assets

In December 2023, the FASB issued ASU No. 2023-08, Intangibles - Goodwill and Other - Crypto Assets. ASU 2023-08 amends ASC 350, *Intangibles - Goodwill and Other*, to provide guidance on the accounting for and disclosure of crypto assets and requires that the Company (i) subsequently remeasure crypto assets at fair value in the Consolidated Balance Sheets and record gains and losses from remeasurement in Net income (loss) in the Consolidated Statements of Comprehensive income; (ii) present crypto assets separate from other intangible assets in the Consolidated Balance Sheets; (iii) present the gains and losses from remeasurement of crypto assets separately in the Consolidated Statements of Comprehensive income; and (iv) provide specific disclosures for crypto assets. The new standard is effective for the company for its fiscal year beginning January 1, 2025, with early adoption permitted, and should be applied using a modified retrospective transition method with a cumulative-effect adjustment recorded to the opening balance of retained earnings as of the beginning of the year of adoption. The Company early adopted ASU 2023-08 on January 1, 2024, and recorded a cumulative adjustment to increase the opening balance of retained earnings by \$6.44 million as a result of recognizing its digital assets held as of January 1, 2024, at fair value. During the year ended December 31, 2024, the adoption of ASU 2023-08 led to an unrealized gain of \$37.60 million due to the bitcoin price increase during the year. No adjustments were made to prior comparative periods.

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

New Accounting Standards That Have Not Yet Been Adopted:

Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024, and interim periods within those annual periods; early adoption is permitted. Adoption is either with a prospective method or a fully retrospective method of transition. The Company plans to adopt ASU 2023-09 for the year beginning on January 1, 2025. The Company is currently evaluating the effect the updated guidance will have on its disclosures.

Accounting Standards Update 2024-03, Comprehensive income (Topic 220): Disaggregation of Income Statement expenses

On November 4, 2024, the FASB issued ASU No. 2024-03, Expense Disaggregation Disclosures ("ASU 2024-03"). ASU 2024-03 amends ASC 220, Comprehensive Income to expand income statement expense disclosures and require disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is required to be adopted for fiscal years commencing after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard on the Consolidated Financial Statements.

3. REVERSE RECAPITALIZATION

As discussed in Note 1, on February 29, 2024, the Company completed the business combination with Arisz pursuant to the Merger Agreement by and between Arisz and Finfront. As a result of the Reverse Recapitalization, the Company became a publicly traded company, with Finfront surviving the Acquisition Merger as a wholly-owned

subsidiary of the Company.

At the Redomestication Merger Effective Time, pursuant to the Redomestication Merger: (1) all units of Arisz were separated into individual components of Arisz Common Stock, Arisz Warrant and Arisz Right and such units ceased to exist; (2) each Arisz Common Stock, issued and outstanding immediately prior to the Redomestication Merger Effective Time (other than any redeemed shares), were automatically cancelled and ceased to exist, and for each share of such Arisz Common Stock, the Company issued to each Arisz stockholder (other than Arisz stockholders who exercised their redemption rights in connection with the Business Combination) one validly issued, fully paid Class A Ordinary Share; (3) each Arisz Warrant issued and outstanding immediately prior to Redomestication Merger Effective Time was cancelled in exchange for one Warrant to purchase three-fourths (3/4) of one Class A Ordinary Share; and (4) each Arisz Right that entitles the holders thereof to receive one-twentieth (1/20) of one Arisz Common Stock issued and outstanding immediately prior to the Redomestication Merger Effective Time was cancelled in exchange for the number of full Class A Ordinary Shares equal to the number of Arisz Common Stock to which the registered holder of Arisz Right would have been entitled, rounded to the nearest whole share.

At the Effective Time (as defined in the Merger Agreement), pursuant to the Acquisition Merger: (1) each ordinary share of Finfront (other than the ordinary shares of Finfront held by Chipring Technology Limited, an entity controlled by Mr. Leo Lu, the founder and chief executive officer of the Company) issued and outstanding immediately prior to the Effective Time was cancelled in exchange for the applicable number of Class A Ordinary Shares, (2) all ordinary shares of Finfront held by Chipring Technology Limited were cancelled in exchange for 135,000,000 Class B Ordinary Shares; and (3) the one share of Merger Sub issued and outstanding immediately prior to the Effective Time was converted into and became one ordinary share of Finfront.

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BITFUFU INC.
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PIPE Subscription Agreements

In connection with the Business Combination, Finfront and Arisz obtained commitments from interested accredited investors to purchase Class A Ordinary Shares issued in connection with the Closing, for an aggregate cash amount of \$74,000,000 at a purchase price of \$10.00 per share, in a private placement (the "PIPE"). Such commitments are being made by way of the PIPE Subscription Agreements, by and among each PIPE Investor, Finfront and Arisz. The PIPE Shares are identical to Class A Ordinary Shares issued to existing public stockholders of Arisz at the time of the Closing, except that the PIPE Shares were not entitled to any redemption rights and were not registered under the Securities Act at the time of issuance. The closing of the PIPE Subscription Agreements took place concurrently with the closing of the Business Combination on February 29, 2024.

Backstop Agreements

On October 13, 2022, Arisz, Finfront and the Sponsor entered into a new backstop agreement (the "New Backstop Agreement") whereby, in connection with the Business Combination, the Sponsor agreed to subscribe for and purchase no less than \$2.0 million worth of shares of Arisz Common Stock or Class A Ordinary Shares to replace a previously signed backstop agreement dated July 14, 2022, which terminated in accordance with its terms on 31 July 2022. The Sponsor subscribed for 200,000 Class A Ordinary Shares in a private placement transaction pursuant to the New Backstop Agreement. The closing of the Backstop Agreement took place concurrently with the closing of the Business Combination on February 29, 2024.

Stock Purchase Agreements

In connection with the execution of the Merger Agreement, the Sponsor and Ethereal Singapore entered into a stock purchase agreement (the "First ET Stock Purchase Agreement"), pursuant to which Ethereal Singapore purchased 128,206 shares of Arisz Common Stock (the "ET Shares") from the Sponsor for a purchase price of \$1,250,000. Subject to the satisfaction of conditions set forth in the ET Stock Purchase Agreement, the Sponsor shall cause the ET Shares to be transferred on the books and records of Arisz to Ethereal Singapore. The transfer of ET Shares has been completed. In addition, on October 10, 2022, the Sponsor and Ethereal Singapore entered into a stock purchase agreement (the "Second ET Stock Purchase Agreement") and together with the First ET Stock Purchase Agreement, the "ET Stock Purchase Agreements"), pursuant to which Ethereal Singapore purchased 76,142 shares of Arisz Common Stock (the "Additional ET Shares") from the Sponsor for a purchase price of \$750,000. Subject to the satisfaction of conditions set forth in the Second ET Stock Purchase Agreement, the Sponsor shall cause the Additional ET Shares to be transferred on the books and records of Arisz to Ethereal Singapore. The transfer of Additional ET Shares was completed at the Closing. 204,348 Class A Ordinary Shares were issued at the Closing in connection with the aforementioned transactions, which have been classified as treasury shares of the Company.

In connection with the execution of the Merger Agreement, the Sponsor and Aqua Pursuit International Limited ("Aqua"), the financial advisor of Finfront, entered into the Aqua Stock Purchase Agreement, pursuant to which Aqua purchased 200,000 shares of Arisz Common Stock (the "Aqua Shares") from the Sponsor for a purchase price of \$2,000,000. Subject to the satisfaction of conditions set forth in the Aqua Stock Purchase Agreement, the Sponsor shall cause the Aqua Shares to be transferred on the books and records of Arisz to Aqua upon the consummation of any business combination (as defined in Arisz's organizational documents). On October 10, 2022, Aqua and the Sponsor entered into an amendment to the Aqua Stock Purchase Agreement, pursuant to which the number of Aqua Shares purchased from the Sponsor was changed from 200,000 shares of Arisz Common Stock to 260,000 shares of Arisz Common Stock, and the purchase price was changed from \$2,000,000 to \$2,500,000. The transfer of the Aqua Shares was completed at the Closing, and 260,000 Class A Ordinary Shares were issued at the Closing in connection with the aforementioned transaction.

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

Amended Stock Escrow Agreement

Pursuant to certain Stock Escrow Agreement dated November 17, 2021, by and among Continental Stock Transfer & Trust Company, acting as escrow agent, Arisz, the Sponsor and certain shareholders of Arisz (as amended by an amendment to stock escrow agreement dated February 29, 2024, the "Amended Stock Escrow Agreement"), subject to certain limited exceptions, 696,247 shares of Arisz Common Stock (which was exchanged into the same number of Class A Ordinary Shares in connection with the Business Combination) may not be transferred, assigned, sold or released from escrow until six months after the date of the consummation of the Business Combination. The limited exceptions referred to above include, among other things, (1) transfers among the Sponsor or its affiliates or members or to our officers, directors, advisors and employees, (2) transfers to the Sponsor's affiliates or its members upon its liquidation, (3) transfers to relatives and trusts for estate planning purposes, (4) transfers by virtue of the laws of descent and distribution upon death, (5) transfers pursuant to a qualified domestic relations order, or (6) private sales made at prices no greater than the price at which the securities were originally purchased, in each case where the transferee agrees to the terms of the escrow agreement and forfeiture, as the case may be, as well as the other applicable restrictions and agreements of the holders of such shares.

In connection with the Business Combination, on February 26, 2024, holders of 2,287,657 shares of Arisz Common Stock exercised their right to redeem their shares for cash at a redemption price of approximately \$11.14 per share, for an aggregate redemption amount of approximately \$25.4 million, representing approximately 96.0% of the total outstanding shares of Arisz Common Stock then held by public stockholders. As a result of a significant number of Arisz public stockholders electing to redeem the Arisz Common Stock in connection with the Business Combination, the gross proceeds to BitFuFu from the Business Combination were accordingly reduced to approximately \$1.1 million. BitFuFu raised \$74 million in the PIPE financing, which amounted to \$75.1 million in gross proceeds.

The total transaction costs of \$10.1 million were related to third-party legal, accounting services and other professional services to consummate the Reverse Recapitalization and the PIPE financing incurred by Finfront. These transaction costs were recognized as an offset to additional paid-in capital in the Consolidated Balance Sheets of the Company.

In consideration of the Acquisition Merger, the expected beneficial ownership of BitFuFu Ordinary Shares following the consummation of the Business Combination (post-Business Combination), has been determined based upon the following: (i) the issuance of 15,000,000 Class A Ordinary Shares and 135,000,000 Class B Ordinary Shares to the shareholders of BitFuFu, (ii) the conversion of each share of Arisz Common Stock issued and outstanding immediately prior to the effective time of the Redomestication Merger into one validly issued Class A Ordinary Share, (iii) the conversion of each Arisz Right issued and outstanding immediately prior to the effective time of the Redomestication Merger into one-twentieth (1/20) of one Class A Ordinary Share, (iv) the issuance of 7,400,000 Class A Ordinary Shares to the PIPE Investors in the PIPE Investment, (v) the issuance of 2,301,750 Class A Ordinary Shares to Chardan, (vi) the issuance of 1,010,000 Class A Ordinary Shares to Aqua (including the transfer of 260,000 Class A Ordinary Shares to Aqua from Sponsor), (vii) the issuance of 200,000 Class A Ordinary Shares pursuant to the Backstop Agreement, (viii) Sponsor has transferred 204,348 Class A Ordinary Shares to Ethereum Tech Pte. Ltd., a subsidiary of BitFuFu, pursuant to the ET Stock Purchase Agreement, (ix) redemption of 777,050 shares of Arisz Common Stock (approximately at \$11.14 per share totaled \$8.7 million) in connection with the stockholders' vote at the annual meeting of stockholders held by Arisz on February 5, 2024, and (x) redemption of 2,282,657 shares of Arisz Common Stock (approximately at \$11.14 per share totaled \$25.4 million) in connection with the Business Combination.

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BITFUFU INC.
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(Dollar amounts, except per share data, in thousands unless otherwise indicated)

The following summarizes the number of Ordinary Shares outstanding at the Closing Date:

	Actual Ownership
Arisz Common Stock	94,658
Arisz Private Placement Shares	276,389
Arisz Common Stock held by Insider (founders/Sponsor initial share) and transferees	1,260,652
Arisz Rights held by public stockholders	345,000
Arisz Common Stocks underlying Arisz Rights included as part of the Private Placement	13,818
Class A Ordinary Shares issued to Chardan Capital Markets, LLC as deferred underwriting compensation	51,750
Class A Ordinary Shares issued to Chardan Capital Markets, LLC as Arisz's M&A Consultant	2,250,000
Class A Ordinary Shares issued to Aqua Pursuit International Limited as BitFuFu's M&A Consultant	1,010,000
Class A Ordinary Shares issued to PIPE Investors	7,400,000
Ordinary Shares issued to shareholders of BitFuFu in Business Combination	150,000,000
Shares issued pursuant to the Backstop Agreement	200,000
Shares transferred from Arisz Sponsor to a subsidiary of BitFuFu	204,348
Shares outstanding, basic	163,106,615
Shares issuable upon the exercise of Warrants	5,382,292
Shares outstanding, diluted	168,488,907

4. DIGITAL ASSETS

Prior to the adoption of ASU 2023-08, the carrying value of digital assets represents the post-impairment value of all digital assets held. Digital assets not within the scope of ASU 2023-08 should be tested for impairment, whenever events or changes in circumstances occur which indicate that it is more likely than not that the indefinite-lived asset is impaired. Impairment loss on digital assets recorded for the years ended December 31, 2024, 2023 and 2022 was Nil, \$6.99 million and \$12.95 million, respectively.

As a result of adopting ASU 2023-08, the Company measures digital assets at fair value as of each reporting period. Unrealized gain on digital assets recorded for the years ended December 31, 2024, 2023 and 2022 was \$37.60 million, Nil and Nil, respectively. Realized gain on sales of digital assets recorded for the years ended December 31, 2024, 2023 and 2022 was \$39.33 million, \$18.23 million and \$4.95 million, respectively.

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BITFUFU INC.
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(Dollar amounts, except per share data, in thousands unless otherwise indicated)

The Company's digital asset holdings include digital assets pledged by customers pursuant to applicable agreements and exclude digital assets pledged by the Company to suppliers or lenders as collateral (see Note 5):

	As of December 31, 2024			As of December 31, 2023
	Quantity	Cost Basis	Fair Value	Carrying Value
Bitcoin ("BTC")	1,313	87,457	125,048	43,896
USDT	4,800,082	4,802	4,817	61
Others	46,233	77	75	21
Total		92,336	129,940	43,978

The cost basis of digital assets represents the fair value of digital assets at the time of service contract inception, the fair value of digital assets purchased upon receipt in an exchange for another digital assets, and the cost of digital assets purchased upon receipt in an exchange for fiat currency.

The following table presents the movement for digital assets of the Company for the years ended December 31, 2024 and 2023:

	BTC	USDT	Others	Total
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Balance as of December 31, 2023	43,896	61	21	43,978
Cumulative effect of the adoption of ASU 2023-08	6,436	-	-	6,436
Balance as of January 1, 2024	50,332	61	21	50,414
Digital assets received from customers for products and services	123,345	114,363	223	237,931
Revenue generated from BTC self-mining operation	157,511	-	-	157,511
Converted to other digital assets or fiat cash, net	(67,710)	(100,077)	(183)	(167,970)
Costs and expenses (paid)/prepaid in digital assets	(169,506)	(44,480)	14	(213,972)
Unrealized fair value changes on digital assets	37,604	-	-	37,604
Realized gain on sale/exchange of digital assets	39,329	-	-	39,329
Digital assets from borrowings	-	34,950	-	34,950
Digital assets pledged to lender or supplier	(60,629)	-	-	(60,629)
Digital assets pledged from customers	21,669	-	-	21,669
Purchase of mining equipment	(6,897)	-	-	(6,897)
Balance as of December 31, 2024	125,048	4,817	75	129,940
	BTC	USDT	Others	Total

Balance as of January 1, 2023	7,938	56	17	8,011
Digital assets received from customers for products and services	77,236	150,134	251	227,621
Revenue generated from BTC self-mining operation	100,197	-	-	100,197
Other income received in BTC	378	-	-	378
Converted (to)/from other digital assets or fiat cash, net	(95,441)	(81,280)	(243)	(176,964)
Costs and expenses paid in digital assets	(57,656)	(68,849)	(4)	(126,509)
Impairment on digital assets	(6,987)	-	-	(6,987)
Realized gain on sale/exchange of digital assets	18,231	-	-	18,231
Balance as of December 31, 2023	43,896	61	21	43,978

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BITFUFU INC.
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The following table provides the reconciliation between net income and the movement of digital assets of the Company for the years ended December 31, 2024 and 2023:

	For the Year Ended December 31,	
	2024	2023
DIGITAL ASSETS FROM OPERATING ACTIVITIES		
Revenue recognized from selling products and services which was settled or will be settled in digital assets (a)	277,089	183,908
Adjusted by the changes in operating assets and liabilities:		
Accounts receivable to be settled in digital assets	(7,087)	2,431
Inventories	(104)	-
Contract liabilities received in digital assets	(31,967)	41,282
Digital assets received from customers for products and services	237,931	227,621
Revenue recognized from Bitcoin self-mining operation (b)	157,511	100,197
Cost and expenses settled or to be settled by digital assets (c)	(238,921)	(101,371)
Adjusted by the changes in operating assets and liabilities:		
Prepayments made in digital assets to suppliers	16,214	(24,035)
Accounts payable to be settled in digital assets	11,947	(7)
Payments made in digital assets by a related party on behalf of Company	1,579	-
Other receivables to be settled in digital assets	(6,020)	(130)
Other payables to be settled in digital assets	1,229	(966)
Costs and expenses paid in digital assets	(213,972)	(126,509)
Impairment of digital assets	-	(6,987)
Other income received in digital assets (d)	-	378
Unrealized fair value gain of digital assets	37,604	-
Realized gain on sale of digital assets	39,329	18,231
Net digital assets provided by operating activities	258,403	212,931
DIGITAL ASSETS FROM INVESTING ACTIVITIES		
Sales of digital assets in exchange for fiat cash	(184,794)	(222,393)
Digital assets purchased by fiat cash	16,824	45,429
Digital asset collateral, net	(38,960)	-
Purchase of mining equipment	(6,897)	-
Net digital assets used in investing activities	(213,827)	(176,964)
DIGITAL ASSETS FROM FINANCING ACTIVITIES		
Proceeds from long-term loans	34,950	-
Net digital assets provided by financing activities	34,950	-
Adjustments on the opening balance for adoption of ASU 2023-08	6,436	-

Net increase in digital assets	85,962	35,967
Digital assets at the beginning of the year	43,978	8,011
Digital assets at the end of the year	129,940	43,978

The net income received or to be received by digital assets, as presented in the consolidated statement of cash flow, consists of items (a), (b), (c) and (d) above.

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BITFUFU INC.
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5. DIGITAL ASSET COLLATERAL RECEIVABLE

The following table presents the Company's digital assets pledged as collateral for loan borrowings and accounts payable as of December 31, 2024:

	As of December 31, 2024	
	Quantity	Fair Value
Pledged BTC - current ⁽¹⁾	131	12,569
Pledged BTC - non-current ⁽²⁾	502	47,827
Digital asset collateral receivable	633	60,396

(1) The BTC was pledged for the accounts payable due to a supplier of mining equipment, who is a related party of the Company. This collateral is expected to be released when the related outstanding payables are paid within one year.

(2) The BTC was pledged for long-term loans (see Note 12). This collateral is expected to be released when the related loans are matured and repaid after one year.

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following:

	As of December 31,	
	2024	2023
Accounts receivables	11,238	4,150
Allowances for credit losses	(312)	(312)
Accounts receivables, net	10,926	3,838

As of December 31, 2024, the Company holds a receivable with a principal amount of \$10.93 million, of which \$8.28 million is secured by BTC. The secured portion of the receivable bears interest at an annual rate of 7.5% with the obligation maturing on February 2026 unless early repayment by the customer. The customer is required to maintain BTC collateral with a fair value of at least 70% of the outstanding secured receivable balance (the "Collateral Coverage Requirement"). The Company regularly monitors the fair value of the BTC collateral and may request additional BTC if its value falls below the stipulated threshold. Failure by the customer to meet the Collateral Coverage Requirement or to repay the secured receivable in full may result in the Company liquidating the BTC collateral to recover the outstanding amount. None of the balances in 2023 were secured by BTC collateral.

The following table presents the activity in the allowance for credit losses for the years ended December 31, 2024, and 2023:

	As of December 31,	
	2024	2023
Opening balance	312	608
Credit loss expense	-	-
Charged off	-	(296)
Closing balance	312	312

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BITFUFU INC.
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7. PREPAYMENTS

Prepayments consisted of the following:

	As of December 31,	
	2024	2023
Prepayment to suppliers ⁽¹⁾	18,833	33,972
Prepaid acquisition consideration ⁽²⁾	2,460	-
Prepaid offering costs ⁽³⁾	-	5,526
Others	358	68
Prepayments	21,651	39,566

(1) Prepayment to suppliers primarily represents (i) hosting services fee, hash rate fee and other service fees prepaid to suppliers for which the relevant services have not been rendered; (ii) prepaid mining equipment procurement fee for which the equipment has not been delivered as of the year end.

(2) In October 2024, the Company made \$2.46 million prepayment recognized as part of the acquisition of a mining facility.

(3) Prepaid offering costs were costs related to business combination with Arisz and were charged to "Additional paid-in capital" upon completion of the business combination on February 29, 2024. Such costs primarily include legal cost, advisory costs and the extension fee for the business combination.

8. OTHER CURRENT ASSETS, NET

Other current assets consisted of the following:

	As of December 31,	
	2024	2023
Other receivables due from third parties ⁽¹⁾	6,214	-
Deposits due from third parties ⁽²⁾	5,506	1,880
Custodian assets held by FTX ⁽³⁾	-	9,827
Others	90	63
Other current assets, gross	11,810	11,770
Less: Allowance for credit losses	(100)	(9,926)
Other current assets, net	11,710	1,844

(1) Among the balance of other receivables due from third parties, \$4.1 million was secured by collateral digital assets which was recorded in "Obligation to Return Collateral Digital Assets" and accrue interest at an annual rate of 7.5% with the obligation maturing on December 8, 2025.

(2) The balance of deposits due from third parties primarily represented the deposits paid to the owner or operator of mining facilities and will be received upon termination of the service agreements.

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BITFUFU INC.
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The following table presents the activity in allowance for credit losses for the years ended December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
Allowance for credit losses:		
Opening balance	9,926	9,826
Recoveries collected ⁽³⁾	(7,270)	-
Charged off ⁽³⁾	(2,556)	-
Credit loss expense	-	100
Total ending allowance balance	100	9,926

(3) In November 2022, FTX cryptocurrency exchange filed for Chapter 11 bankruptcy. The Company had \$2.09 million cash and 480 BTC worth \$7.74 million (measured at the carrying value of BTC as of December 31, 2022) in its FTX account. Due to the uncertain outcome of the bankruptcy, the Company reclassified the funds as custodian assets held by FTX and recorded a full impairment charge on those balances during 2022.

In November 2024, the Company entered into a settlement agreement with a third party to sell its receivables rights from FTX for a total consideration of \$7.27 million. As part of this transaction, the Company recognized a write-off of \$2.56 million charged against the allowance for credit losses, reflecting its assessment of the un-collectability of these receivables.

9. EQUIPMENT, NET

Equipment consisted of the following:

	As of December 31,	
	2024	2023
Cost:		
Servers, computer and network equipment	140	140
Mining equipment	143,160	136,227
Total cost	143,300	136,367
Less: accumulated depreciation		
- Servers, computers and network equipment	(114)	(71)
- Mining equipment	(67,279)	(42,589)
Total accumulated depreciation	(67,393)	(42,660)
Less: accumulated impairment loss	(19,926)	(11,850)
Equipment, net	55,981	81,857

Depreciation expense was \$24.73 million, \$24.50 million and \$18.16 million for the years ended December 31, 2024, 2023 and 2022, respectively.

During the year, the Company identified indicators of impairment for its mining equipment, as the carrying amount exceeded the projected undiscounted cash flows of the assets. The fair value was determined using an income approach, based on the present value of expected future cash flows. Significant inputs to the fair value calculation included assumptions related to future BTC prices, forecasted global network hashrate, and estimated future power prices. Accordingly, the Company recognized impairment charges of \$8.08 million, Nil and \$11.85 million for the year ended December 31, 2024, 2023 and 2022, respectively.

BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

10. ACCRUED EXPENSES AND OTHER PAYABLES

Accrued expenses and other payables consisted of the following:

	As of December 31,	
	2024	2023
Interest payable ⁽¹⁾	5,177	2,731
Accrued expenses	2,292	1,097
Customer refund ⁽²⁾	1,040	290
Issuance costs payable	-	1,250
Others	264	-
Total	8,773	5,368

(1) The interest payable represents the accrued interest for (i) long-term payables owed to the mining equipment supplier totaling \$101.3 million with a fixed interest rate of 6% per annum (see Note 11); and (ii) long-term loans totaling \$35.0 million with a fixed annual interest rate of 6.5% (see Note 12). During the years ended December 31, 2024, 2023 and 2022, the Company recorded interest expense of \$6.33 million, \$5.54 million and \$2.52 million, respectively.

(2) The Company records refund liabilities for amounts received from customers in excess of purchase amounts, representing overpayments to be returned or amounts pending customers' claims. These overpayments are classified as current liabilities until refunded or, if agreed upon with the customers, applied as credits toward future purchases.

11. LONG-TERM PAYABLES

Long-term payables consisted of the following:

	As of December 31,	
	2024	2023
Payables for purchasing mining equipment – non-current portion		
Opening balance	102,435	109,435
Repayment	(1,134)	(7,000)
Closing balance	101,301	102,435

The long-term payable represents an amount due to a supplier for the purchase of mining equipment in 2022. Pursuant to the purchase agreements and supplemental agreements entered into between the supplier and the Company, the outstanding purchase price is subject to interest at a rate of 6% per annum from the date of equipment delivery until the full settlement of the outstanding balance. The Company may initiate early or partial repayments, subject to mutual agreement by both parties. During the year ended December 31, 2024, the Company made partial repayment by transferring its 204,348 treasury shares to the supplier.

BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts, except per share data, in thousands unless otherwise indicated)

12. LONG-TERM LOANS

In November 2024, the Company, through a wholly-owned subsidiary, entered into Master Loan and Pledge Agreements (the "Agreements") with an institution (the "Lender"). Pursuant to the Agreements, the Lender will provide loans in tranches, which is denominated in U.S. Dollar with a term of 18 months, maturing in May and June of 2026, and a fixed interest rate of 6.5% per annum. The Agreements also require the Company to transfer certain amounts of its BTC to the Lender as collateral (see Note 5), with the loan amount being 70% of the then-current fair market value (the "Loan-to-Value Ratio") of the pledged BTC. If the fair market value of BTC falls, leading to the Loan-to-Value Ratio below 80%, the Company is required to add additional collateral. The loans were paid in USDT. The repayment of the loan principal may be made in U.S. Dollar by default or in digital assets. In the event that the Company wishes to repay the loan balance to Lender in digital assets, the Company shall repay such amount of digital assets which, if converted into U.S. Dollar using the spot rate at the time of such repayment, would be no less than the amount Lender would receive in U.S. Dollar. The balance of long-term loans outstanding as of December 31, 2024 and 2023 was \$35.0 million and Nil, respectively.

13. INCOME TAXES

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022, which is effective on January 1, 2023 and contains provisions implementing a 15% minimum corporate income tax on book income of certain large corporations, a 1% excise tax on net stock repurchases and several tax incentives to promote clean energy. While the company is continuing to evaluate the impact of these provisions, at this time, they are not expected to have a material impact on the company's Consolidated Financial Statements.

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

	Year Ended December 31,		
	2024	2023	2022
Current income tax expense/(benefit):			
US-Federal	-	-	-
US-State	-	-	-
Foreign	877	(1,968)	3,805
Total current income tax expense/(benefit)	877	(1,968)	3,805
Deferred tax expense/(benefit):			

Total income tax expense/(benefit)	7,668	2,183	(666)
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Effective tax rates of 12.44% for 2024, 17.22% for 2023 and (37.48%) for 2022 differ from the federal statutory rate applied to income before income taxes due to the following:

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BITFUFU INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

	Year Ended December 31,		
	2024	2023	2022
Federal income tax benefit at the statutory rate	(2,370)	(991)	(2,421)
Effect of:			
State income taxes	(564)	(236)	(576)
Foreign taxes	10,602	3,494	2,331
Other, net	-	(84)	-
Income tax expense/(benefit)	7,668	2,183	(666)

The Company's net deferred tax assets/(liabilities) were as follows:

	As of December 31,	
	2024	2023
Deferred tax assets:		
Impairment loss on digital assets	-	210
Impairment loss on mining equipment	5,181	3,081
Net operating loss carryforwards	7,742	6,320
Credit loss provision for receivables	81	81
Impairment loss on assets held by FTX	-	1,356
Limits on interest expense deduction	3,683	2,087
Total gross deferred tax assets	16,687	13,135
Deferred tax liabilities:		
Digital assets	(15,072)	(5,470)
Depreciation of equipment	(8,086)	(7,345)
Total gross deferred liabilities	(23,158)	(12,815)
Net deferred tax assets/(liabilities)	(6,471)	320

	As of December 31,	
	2024	2023
Deferred tax assets/(liabilities):		
United States	7,158	4,224
United Arab Emirates	1,443	-
Singapore	(15,072)	(3,904)
Net deferred tax assets/(liabilities)	(6,471)	320

Net operating loss carryforwards: Ethereum US has approximately \$19.57 million and \$4.66 million of federal and state tax Net Operating Losses ("NOLs"), respectively, that may be available to offset future taxable income. Under the Tax Cuts and Jobs Act, \$19.57 million federal and \$4.66 million state NOLs incurred after December 31, 2017 are carried forward indefinitely but may be limited in utilization to 80% of taxable income.

The Company has not identified any uncertain tax positions requiring a reserve as of December 31, 2024, and 2023. The Company's policy is to recognize interest and penalties that would be assessed in relation to the settlement value of unrecognized tax benefits as a component of income tax expense. The Company did not accrue either interest or penalties for the years ended December 31, 2024, and 2023.

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BITEUFU INC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

The Company and its subsidiaries are subject to U.S. federal income tax as well as income taxes in various state and foreign jurisdictions. The Company files federal, states, and foreign income tax returns. The 2022-2023 tax years generally remain subject to examination by the IRS and various state taxing authorities, although the Company is not currently under examination in any jurisdiction.

14. REVENUE BY CATEGORIES

Revenue by products or services

For the years ended December 31, 2024, 2023 and 2022, the Company operates in a single operating segment that mainly includes: 1) cloud mining solutions services; 2) self-mining; 3) sale of mining equipment; and 4) hosting services and others.

The following table summarizes the revenue generated from different revenue streams:

	For the Year Ended December 31,		
	2024	2023	2022
Cloud mining solutions	271,036	178,044	99,392
BTC self-mining	157,511	100,197	60,291
Sales of mining equipment	30,463	-	10,400
Leasing of mining equipment	-	-	1,336
Sourcing commission for mining equipment	-	-	18,792
Hosting services and others	4,320	5,865	7,988
Total revenues	463,330	284,106	198,199

Revenue by geographical location

The following table also summarizes the revenue (excluding self-mining revenue) generated from different continents:

	For the Year Ended December 31,					
	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
North America	155,736	51%	99,043	54%	98,003	71%
Asia	94,171	31%	31,113	17%	10,320	7%
Europe	41,298	13%	47,372	26%	28,602	21%
Others	14,614	5%	6,381	3%	983	1%
Total revenue (1)	305,819	100%	183,909	100%	137,908	100%

The basis for attributing revenues by continents is based on the customers' KYC information, which indicates the country or region where a corporate customer was incorporated or the place of residence of an individual customer.

(1) Total revenue excludes BTC self-mining revenue.

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BITFUFU INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts, except per share data, in thousands unless otherwise indicated)

Revenue by consideration

The amount of revenue recognized from receipt of digital assets and receipt of U.S. dollars is presented separately as follows:

	Year Ended December 31,		
	2024	2023	2022
Revenue recognized in digital assets payment	434,600	284,106	179,408
Revenue recognized in U.S. dollars payment	28,730	-	18,791
	463,330	284,106	198,199

15. SHAREHOLDERS' EQUITY

Ordinary shares

The Company's authorized share capital is \$50,000 divided into 500,000,000 ordinary shares (Ordinary Shares), consisting of 300,000,000 class A Ordinary Shares (Class A Ordinary Shares) of par value of \$0.0001 each and 200,000,000 class B Ordinary Shares (Class B Ordinary Shares) of par value of \$0.0001 each. All ordinary shares issued and outstanding were fully paid and non-assessable.

Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for voting and conversion rights. Each Class A Ordinary Share shall entitle the holder thereof to one vote on all matters subject to vote at the general meetings, and each Class B Ordinary Share shall entitle the holder thereof to five (5) votes on all matters subject to vote at the general meetings.

Each Class B ordinary share is convertible into one Class A ordinary share at any time at the option of the holder thereof. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. Upon any sale, transfer, assignment or disposition of Class B Ordinary Shares by a holder to any person or entity which is not the founder of the Company or an affiliate of the founder, or upon a change of ultimate beneficial ownership of Class B Ordinary Shares to any person or entity which is not the founder or an affiliate of the founder, such Class B Ordinary Shares shall be automatically and immediately converted into the same number of Class A Ordinary Shares.

On February 29, 2024, the Company completed the business combination with Arisz and upon consummation of the business combination (Note 3), BitFuFu Inc. issued 150,000,000 ordinary shares to Finfront Holding Company's shareholders. As a result, to reflect the conversion effect, the outstanding shares and earnings per share for the years ended December 31, 2024, 2023 and 2022 are calculated based on weighted average Ordinary Shares. As of December 31, 2024, 2023 and 2022 there were 160,988,011, 150,000,000, and 149,383,562 Ordinary Shares outstanding, respectively, as adjusted to reflect the Reverse Recapitalization through the application of a retroactive restatement.

Treasury shares

In January 2022, Finfront entered into an Agreement and Plan of Merger with Arisz, pursuant to which Finfront will be merged with Arisz. As part of the execution of the Merger Agreement, Ethereal Singapore purchased 128,206 shares of Arisz common stock from the Sponsor for a purchase price of \$1,250,000. In October 2022, Ethereal Singapore entered into a Second Stock Purchase Agreement with the Sponsor, pursuant to which Ethereal Singapore agreed to purchase 76,142 shares of Arisz common stock for a purchase price of \$750,000.

BITFUFU INC.
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As of December 31, 2023, a total of 204,348 purchased class A Ordinary Shares are retroactively accounted as treasury shares. During the year ended December 31, 2024, these treasury shares were fully utilized to settle outstanding obligations with vendors, resulting in a zero balance as of December 31, 2024.

16. SHARE-BASED COMPENSATION

In September 2024, the Board of Directors of the Company approved the grant of 6,525,192 restricted shares, representing 6,525,192 Class A Ordinary Shares of the Company to certain directors, officers, employees and consultants under the 2022 Share Incentive Plan of the Company. The maximum number of Ordinary Shares that may be issued under the 2022 Share Incentive Plan ("SIP") is 7,500,000 Ordinary Shares, which were issued to FuFu ESOP Limited before the Business Combination and reserved for the disbursement of share-based awards under the 2022 Share Incentive Plan.

Compensation expense is recognized over the vesting period of the share awards based on the fair value of the shares at the grant date. A portion of the fair value of service-based restricted shares with post-vesting restrictions is determined using the Asian-Style put option valuation model to estimate the fair value of service based restricted share granted with post-vesting restriction. Certain shares vest on the grant date or the first anniversary of the vesting commencement date, while others vest between the second and fourth anniversaries. As of December 31, 2024, a total of 6,512,781 shares have been granted under the plan, with 10,919 shares forfeited.

The weighted average grant date fair value is \$4.24 for the years ended December 31, 2024. The following are the assumptions used in valuing the restricted shares with post-vesting restrictions on grant dates during the years ended December 31, 2024 (in percentages, except as noted):

	For the Year Ended December 31, 2024
Expected stock price volatility	143.42 - 150.32
Weighted average expected life (in years)	1
Dividend yield	-
Discount for Post-Vesting Restrictions	13.46 - 13.79

A summary of changes in the Company's nonvested shares for the year follows:

	Number of shares	Weighted- Average Grant-Date Per Share Fair Value
Balance at January 1, 2024	-	\$ -
Granted	6,512,781	4.24
Vested	(6,176,756)	4.22
Forfeited	(10,919)	5.05
Non-vested at December 31, 2024	325,106	\$ 5.05

As of December 31, 2024, there was \$1.5 million of total unrecognized compensation cost related to nonvested shares granted under the Plan. The cost is expected to be recognized over a weighted-average period of 1 to 4 years. The total fair value of shares vested during the years ended December 31, 2024, 2023 and 2022 was \$26.1 million, Nil and Nil, respectively.

BITFUFU INC.
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The share-based compensation expenses related to restricted shares are recorded as components of general and administrative expenses, selling and marketing expenses, and research and development expenses, as follows:

	Year Ended December 31		
	2024	2023	2022
General and administrative expenses	17,617	-	-
Selling and marketing expenses	4,502	-	-
Research and development expenses	3,946	-	-
Total	26,065	-	-

During the years ended December 31, 2024, 2023, and 2022, the Company recognized an income tax benefit of \$1.7 million, Nil, and Nil, respectively, related to stock-based compensation expense.

17. EARNINGS PER SHARE

Basic and diluted earnings per share for the periods presented were calculated as follows:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income attributable to the Company's ordinary shareholders			
Basic	53,963	10,495	2,442

Diluted	53,963	10,495	2,442
Denominator:			
Net income per share (\$):			
Basic	0.34	0.07	0.02
Diluted	0.33	0.07	0.02
Weighted-average number of shares of common stock used to compute net income per share:			
Basic	160,988,011	150,000,000	149,383,562
Diluted	165,500,289	150,000,000	149,383,562

Net income per ordinary share is calculated in accordance with ASC 260 - Earnings Per Share. Basic income per ordinary share is computed by dividing net income by the weighted average number of ordinary shares outstanding during the period. For the year ended December 31, 2024, the Company recorded net income and as such, the Company calculated the impact of dilutive ordinary shares in determining diluted earnings per share.

18. RELATED PARTY TRANSACTIONS

- (a) Related parties

Name of related parties	Relationship with the Company
Bitmain Technologies Holding Company and its affiliates ("Bitmain")	Related parties of one of the Company's shareholders
Mr. Liang Lu	Ultimate voting control of the Company

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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- (b) Other than disclosed elsewhere, the Company had the following significant related party transactions for the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Services provided by:			
- Bitmain	177,162	166,541	83,878

The Company purchased infrastructure hosting services and hash rate services from Bitmain for the years ended December 31, 2024, 2023 and 2022 which were recognized in cost of revenues.

- (c) The Company had the following related party balances as of December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
Amount due from/ (due to) related parties:		
- Mr. Liang Lu ⁽ⁱ⁾	25	38
- Bitmain, net ^{(i) (ii)}	31,512	(30,229)
Pledged Bitcoins- current		
- Bitmain (Note 5)	12,569	-

- (i) The amount due from/(to) related parties as of December 31, 2024 and 2023 was interest free without a stated maturity.
- (ii) The amounts due from/(to) Bitmain as of December 31, 2024 and 2023 represented the net balance of hosting services fees payable, prepaid hash rate fees and mining equipment purchase price.

19. MAJOR CUSTOMERS AND SUPPLIERS

The Company has derived a substantial portion of its revenue from sales to a limited number of customers. Sales to BitFuFu's top three customers contributed 31%, 26% and 31% of its total revenue for the years ended December 31, 2024, 2023 and 2022, respectively. Although the Company continually seeks to diversify its customer base, there is no assurance that the proportion of revenue contribution from its major customers to its total revenue will decrease in the future. Dependence on a limited number of major customers exposes the Company to risks of substantial losses if any of them reduces or ceases business collaboration with the Company.

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BITFUFU INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Concentration of credit risk

The below table represented the customers whose revenue individually accounted for over 5% of the Company's total revenue for the years ended December 31, 2024, 2023, and 2022:

	Years Ended December 31,		
	2024	2023	2022
Customer A	14%	6%	9%
Customer B	10%	-	-

Customer C	7%	15%	17%
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Supplier concentration

The Company relies on a limited number of suppliers to provide it with digital asset mining equipment and hosting facilities at economical prices. For the years ended December 31, 2024, 2023 and 2022, the Company's purchases from its largest supplier accounted for 41%, 61%, and 52% of its total cost of revenue, respectively.

The below table represented the suppliers to which cost of revenue was attributed and accounted for over 5% of the Company's total cost of revenue:

	Years Ended December 31,		
	2024	2023	2022
Supplier A	41%	61%	52%
Supplier B	26%	9%	-
Supplier C	14%	13%	32%

20. FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Financial assets and liabilities of the Company primarily consist of cash and cash equivalents, accounts receivable, net, deposits and other receivables, accounts payables, other payables and long-term payables.

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BITFUFU INC. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Dollar amounts, except per share data, in thousands unless otherwise indicated)

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company had no financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024 and, 2023.

Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

As of December 31, 2024 and, 2023, the fair value of cash and cash equivalents, accounts receivables, net, deposits and other receivables, accounts payables and other payables approximated their carrying values because of the short-term nature of these instruments.

The carrying amounts of long-term payables approximate their fair values as they are subject to interest rates close to the market rate of interests for similar arrangements with financial institutions.

On February 29, 2024, the Company measured the Warrants at fair value (see Note 1).

Non-Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the Company's non-financial assets accounted for at fair value on a recurring basis as of December 31, 2024, by level within the fair value hierarchy (dollars in thousands):

Description	Amount	Level 1	Level 2	Level 3
Assets				
Digital Assets	129,940	129,940	-	-
Digital asset collateral receivable	60,396	60,396	-	-
Liabilities				
Obligation to return collateral digital assets	21,436	21,436	-	-

Effective January 1, 2024, the Company early adopted ASU 2023-08, measuring digital assets at fair value on a recurring basis. There were no transfers among Levels 1, 2 or 3 during the years ended December 31, 2024. For the year ended December 31, 2023, the Company did not have any non-financial assets and liabilities measured at fair value on a recurring basis.

Non-Financial Assets and Liabilities measured at fair value on a Non-Recurring basis

For the year ended December 31, 2023, the digital assets held at year end with a total carrying amount of \$50.97 million were written down to their fair value of \$43.98 million, resulting in an impairment charge of \$6.99 million, which represents the difference between the carrying value of the digital assets and their fair value. The Company estimated the fair value of the digital assets using Level 1 inputs based on the lowest intraday trading price of the digital assets on the Company's principal market, Binance (the "Principal Market"). The Company calculates the impairment on digital assets using the lowest spot rate of the digital assets at any point of time during the day, whenever the carrying value of the Company's digital assets exceeds the fair value of the digital assets.

For our mining equipment, fair value measurement is triggered when there are indications of impairment and the carrying amount exceeds the projected undiscounted cash flows of the assets. We record these assets at fair value only when an impairment charge is recognized. In 2024, 2023 and 2022, the Company recognized an impairment charge of \$8.08 million, Nil and \$11.85 mil, respectively.

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21. COMMITMENTS AND CONTINGENCIES

On March 4, 2024, an entity that holds some Warrants, or the Warrant Holder, sent us a letter alleging that we had breached the warrant agreement between Arisz and Continental Stock Transfer & Trust Company when we allegedly failed to allow the Warrant Holder to exercise a portion of the Warrants it holds on that same day, thus, resulting in potential loss to the Warrant Holder. The Warrant Holder threatened to file litigation against us. We dispute the claim of breach and maintain that we have not breached the warrant agreement. On September 11, 2024, the Warrant Holder filed a complaint against us in the United States District Court for Southern District of New York, which was subsequently amended by the Warrant Holder on November 27, 2024. We moved to dismiss all of the claims on December 18, 2024 and that motion is fully briefed before the court and awaiting a decision. We intend to defend the lawsuit vigorously but we cannot predict the outcome at this time due to its early stage.

In December 2024, the Company entered into a two-year framework agreement with Bitmain to purchase up to 80,000 S-series miners (including but not limited to the S21 XP and S21 Pro). Under the terms of the framework agreement, the Company has the flexibility to place orders in batches over a two-year period. The machines will be available for self-mining operations as well as providing mining services to customers, including miner resales, cloud mining and miner hosting services, depending on market conditions and our evolving miner capacity requirements. Additionally, the framework agreement includes payment terms, enabling management to pay, at its option, part of the purchase price in the Company's ordinary shares as well as the ability to defer part of payments after delivery of the miners.

22. SUBSEQUENT EVENTS

The Company has assessed all subsequent events that occurred from December 31, 2024, up through April 21, 2025, which is the date that these Consolidated Financial Statements were issued. Other than described below, the Company did not identify any other subsequent events that would have required adjustment or disclosure in the financial statements.

On February 19, 2025, the Company signed a definitive agreement and acquired 51% ownership in a 51-megawatt (MW) operational Bitcoin mining data center in Oklahoma, which will be accounted for a consolidated subsidiary of the Company. The transaction, priced at \$400,000 per MW and totaled \$10.4 million, is funded with cash from the Company's balance sheet and common stock.

List of Principal Subsidiaries

Name of Subsidiary	Place of incorporation	Percentage of equity attributable to the Company
Finfront Holding Company	Cayman Islands	100%
Finfront Tech Company	Cayman Islands	100%
Ethereal Tech Pte. Ltd.	Singapore	100%
Ethereal Tech US Corporation	United States	100%
Ethereal Tech ME Ltd	United Arab Emirates	100%
Cloudmap Tech Group Limited	Hong Kong	100%

The symbol “***” denotes places where certain identified information has been excluded from the exhibit because it is both (i) not material, and (ii) is the type that the registrant treats as private or confidential.

Contract No.: [***]

Dated September 27, 2024

Hashrate Service Agreement

Between

**Ethereal Tech ME Limited
And**

Bitmain Development Limited

Ethereal Tech ME Limited (the “Party A”), a company duly established and validly existing under the laws of United Arab Emirates with registration address at the Office 2201, Desk D71, floor 22, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates and registration number 20535.

Bitmain Development Limited (the “Party B”), a company duly established and validly existing under the laws of the Hong Kong with registration address at 2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and registration number 74238085.

Party A and Party B shall hereinafter collectively be referred to as the “Parties”, and individually as a “Party”. The Parties confirm and agree that the terms agreed in this Agreement shall take effect from September 27, 2024.

The Parties hereto intend to establish a long-term and stable procurement relationship, in which Party A agrees to purchase, and Party B agrees to provide the Services (defined below) in accordance with this Agreement and the Appendix A (Form of Purchase Order).

Article 1 Business Cooperation

1.1 The Service herein refers to the remote hashrate service (“Service”), which shall be subject to details of Purchase Orders.

1.2 The Service provided by Party B shall be subject to the Appendix A (Form of Purchase Order (type-1)) or Appendix B (Form of Purchase Order (type-2)). Purchase Order in this Agreement refers to the purchase documents issued by Party A to Party B requesting Party B to conduct the transaction in accordance with the Agreement, the Purchase Order and other relevant agreements, the format and the content of which shall be substantially the same as the Appendix A (Form of Purchase Order 1) or Appendix B (Form of Purchase Order 2).

1.3 The Parties agree that Party A will remotely invoke the crypto-mining equipment (“Equipment”) provided by Party B for Party A’s operations.

1.4 According to its own business plan, Party A entitles to make a Service purchase request to Party B from time to time. The Purchase Order is enforceable once executed by both Parties.

1.5 Party A has the right to adjust the sales price of hashrate service displayed on its platform at its own discretion according to Party A’s pricing model and the market price.

Article 2 Commitment and Guarantee of the Parties

2.1 The Parties promise to have the legal rights and capacity to conclude this agreement, and have the related legal qualifications to sign and execute this Agreement, and are obliged to provide true, legal, accurate and effective information and data in accordance with relevant laws and regulations.

2.2 The Parties shall abide by the principle of good faith, refrain from taking unfair competition behaviors during the transaction, not disrupting the normal order of online transactions, or engaging in acts that harm the legitimate interests of any third party.

2.3 Party B promises that the Service it provides to Party A meets Party A’s requirements. The information, materials and implementations related to the Service provided by Party B are in compliance with relevant laws, regulations, national mandatory standard and terms of this Agreement.

2.4 Party B shall be responsible for the quality of the Service provided to Party A. If Party B fails to provide agreed mining capacity at its own fault, Party B shall be borne any and all reasonable losses incurred to Party A arising from or relating to the Service provided by Party B.

2.5 Party B agrees and acknowledges that the Service it provides to Party A can be resold to end users in different countries and regions around the world through Party A’s platform or used by Party A for its self-mining at the sole decision of Party A, provided that there should be no restrictions or prohibitions of the cryptocurrency mining activities by any applicable laws or governmental authority in these countries and/or regions.

2.6 Party B shall take necessary technical measures to ensure the normal operation of the Equipment. Party B shall take remedial measures immediately if any security risks occur or may occur, including but not limited to physical security risks, information security risks, and network security risks, and shall inform Party A within 36 hours since these risks take place. Party B shall be liable for losses caused to Party A due to the occurrence of the aforementioned risks, but Party B's cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the payment actually received by Party B from Party A for the Service under this Agreement.

2.7 Party B shall take best efforts to maintain the Equipment for normal network operation and services for 24 hours a day and 7 days a week. The Equipment should have strict network firewall settings, integral fire and disaster prevention facilities, and the active response of operation and maintenance personnel shall be ensured.

2.8 The average daily actual operating hashrate provided by Party B shall exceed 95% of the purchased hash rate and subject to the confirmation of Party A.

2.9 Party B shall examine and check the Service delivery every seven (7) days, and if the supply of hash rate is insufficient by more than 5% due to power rationing or machine abnormality, Party B shall fix the hash rate gap in the next seven (7) days. After the hash rate is replenished, any excess of hashrate results in subsequent every seven (7) days shall be switched back to Party B.

Article 3 Rights and Obligations of the Parties

3.1 Party A's rights and obligations

3.1.1 If the Service provided by Party B does not meet Party A's standards or requirements, Party A has the right to require Party B to make rectifications within 48 hours of Party A's notification to Party B in writing. Otherwise, Party A has the right to unilaterally terminate this Agreement, and Party B shall compensate Party A for all direct losses arising therefrom, but Party B's cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the payment actually received by Party B from Party A for the Service under this Agreement.

3.1.2 Party A shall pay fees in connection of the Services pursuant to this Agreement and Purchase Order. If Party A fails to settle to Party B before agreed timeline, Party B can notify Party A in writing to remind Party A to pay on time. If Party A fails to pay within 7 days after receiving Party B's notification, Party A shall pay a daily penalty of 0.3% on the payable amount to Party B. Party B shall have the right to terminate this Agreement if the delay of payment is more than 15 days after the due date. Party A shall be responsible for Party B's direct loss arising from its delayed payment.

3.1.3 Party A guarantees that it will not use hash rate provided by Party B to damage or disrupt network security (including but not limited to phishing, hacking, network fraud, website or space containing or suspected of spreading: viruses, Trojan horses, malicious code, and through virtual servers attacks on other websites and Equipment (such as scanning, sniffing, ARP spoofing, DDoS, etc.)), and will not engage in acts prohibited by the local law, otherwise Party A shall compensate the losses suffered by Party B.

3.1.4 During the period of contract terms, any use of Party B's name for external publicity should be approved by Party B in advance in writing.

3.1.5 This Agreement and any of the rights, interests, or obligations incurred hereunder, in part or as a whole, are freely assignable by Party A.

3.2 Party B's rights and obligations

3.2.1 Party B shall provide the Services to Party A pursuant to this Agreement and the Purchase Order as stipulated in Appendix A. Party B guarantees that the Equipment which generate hashrate are with legal rights and interests, and that Party B has completed and legal rights to use it.

3.2.2 Party A is responsible for sales, communication and other activities with Party A's platform users. In addition to Party B's responsibilities and obligations agreed in this agreement, Party B shall not bear any obligations and compensation liabilities for Party A's platform users.

Article 4 Settlement Rules and Payment Plan

4.1 Payment of Service Fee:

4.1.1 Party A shall pay to Party B the Service Fees in accordance with each Purchase Order.

4.1.2 Party A shall provide Party B the Purchase Order at least five (5) days in advance of Service. Once the Purchase Order is agreed by both Parties, Party A shall pay to Party B the Service Fees in applicable Purchase Order three (3) days in advance of the Estimated Effective Date stated in applicable Purchase Order, and Party B shall grant Party A access to the purchased hashrate within 24 hours upon receipt of the payment and mining pool worker ID of Party A.

4.2 Settlement rules:

4.2.1 Reconciliation and Settlement: The Hosting Fee provided in the Purchase Order (type-1) shall be calculated and settled monthly, and be paid by Party A by the 7th day of each month. The Hosting Fee of prior month payable by Party A to Party B is equal to "the amount of the electrical power consumed by the Service actually provided in previous month * the unit price of Hosting Fee".

4.2.2 Both Parties agree that the monthly reconciliation, issuance of invoice and payment of the applicable Hosting Fee for the previous month shall be completed by the 7th day of each month. In the event that Party A has queries or objections to the Hosting Fee amount, the Parties agree to, upon the written request of Party A, negotiate in good faith to check and determine the final Hosting Fee amount and pay the final Hosting Fee within seven (7) days upon Party B's receipt of such written request.

4.2.3 Party A shall pay the Hosting Fee to Party B's digital wallet address or bank account designated by Party B in writing. If Party B fails to notify Party A for any change of the wallet address or bank account in 10 days before Party A's payment, all losses arising therefrom shall be borne by Party B itself.

4.2.4 Party B shall issue invoice to Party A for each settlement.

4.3 Taxation: any payments set forth in this Agreement shall include the non-deductible turnover taxes and expenses, i.e., turnover taxes and expenses which ultimately cannot be used as input credits by Party A, and shall not include the deductible turnover taxes and expenses. Each Party shall be solely responsible for compliance with tax filing requirement

and payment of any taxes owed in connection with the payments hereunder.

Article 5 Breach of Contract

5.1 After the signing of this Agreement, except for force majeure, any Party's failure to perform or fail to promptly or improperly perform any of its obligations under this Agreement, or breach of any statement, guarantee or undertaking made by it under this Agreement, shall constitute its breach of contract, and shall bear the liability for breach of contract in accordance with the law, including reasonable expenses such as attorney fees, arbitration fees, and travel expenses.

5.2 If this Agreement is not effective, invalid or can not be performed due to legal or policy restrictions, neither party shall be deemed as breaching of this Agreement, and Party B shall return the fee of the non-performing service already paid by Party A to Party A on an interest-free basis.

Article 6 Term of Contract and Termination Clause

6.1 This Agreement will take effect after being signed and stamped by the Parties. Term of this Agreement is 3 year (1095 days).

6.2 In the event of any of the following matters in this Agreement, either Party has the right to unilaterally issue a notice of contract termination via email or other written form ("Contract Termination Notice"). This Agreement shall be terminated from the date of delivery of the Contract Termination Notice. If this Agreement is terminated due to the following matters, the Parties shall complete settlement and other relevant procedures within 5 working days from the date of termination of this Agreement:

6.2.1 Bankruptcy, reorganization, cancellation, revocation of business license, merger, dissolution, etc. of either Party;

6.2.2 A serious breach of contract by either Party results in the substantial inability to perform this Agreement;

6.2.3 Due to changes in the situation caused by policies, markets, and professional market conditions, the continued performance of the agreement will cause losses or there is no need for actual performance.

Article 7 Dispute Resolution

7.1 The establishment, entry into force, performance, interpretation and dispute resolution of this Agreement shall be governed by the laws of Hong Kong, without regard to conflict of laws principles.

7.2 In the event of any dispute or claim arising from or related to this agreement or its breach, termination or validity ("dispute"), the Parties shall negotiate and resolve it amicably; if the negotiation fails, either Party may submit the dispute to Hong Kong International Arbitration Centre ("HKIAC") under the HKIAC Administered Arbitration Rules in force for arbitration. The seat of arbitration shall be Hong Kong. The arbitration award is final and binding on the Parties. Nothing contained herein shall prevent the Party from obtaining an injunction. The breaching Party shall bear the attorney fees and arbitration fees of the non-breaching Party.

Article 8 Force Majeure

8.1 In case of force majeure, any party is unable to perform this Agreement in whole or in part or delays the performance of this agreement, it shall notify the other Party of the event in writing within five (5) days from the date of the force majeure event, and submit the certificate leading to its inability or delay in performing the Agreement in whole or in part to the counterparty within 20 days from the date of the occurrence of the event.

8.2 In the event of a force majeure event, the party suffering from the force majeure may suspend the performance of its obligations under this Agreement within the delay period caused by the force majeure, which shall not be regarded as a breach of contract. The Party suffering from force majeure shall take all necessary measures to reduce losses and resume the performance of this Agreement immediately after the incident is eliminated, unless the performance of this Agreement is no longer possible or unnecessary. If such suspension results in the inability to provide normal service, Party B shall compensate Party A by extending the service period until the agreed hash rate supplying in the Purchase Order is satisfied.

8.3 The term "Force Majeure" in this article refers to objective events that cannot be foreseen, avoided or overcome, including natural disasters such as floods, volcanic eruptions, earthquakes, landslides, fires, storms and severe weather, as well as social abnormal events such as wars and strikes, unrest, etc., as well as government actions such as government intervention, restrictions, prohibitions, etc.

Article 9 Confidentiality

9.1 The Parties are responsible for each other's confidentiality, that is, under any circumstances or conditions, and at any time, the information and materials provided between the Parties and the specific content of this Agreement shall not be leaked, publicized, notified, or communicated to any third party, except as required by any court, government authority, applicable laws, regulations or rules of any recognized stock exchange; provided that the Party making such disclosure shall advise the other Party of the disclosed information prior to making such disclosure. If either Party violates confidentiality obligations and causes losses to the counterparty, the breaching Party shall bear full responsibility to the counterparty and compensate all direct and indirect losses.

Article 10 Interpretation of the Contract and Application of Law

10.1 The invalidation of individual clauses of this Agreement does not affect the validity of the agreement's interpretation, liability for breach of agreement, application of law and dispute resolution.

10.2 If any clause of this Agreement is determined to be invalid or unenforceable under the current law, all other clauses of this agreement will continue to be valid. In this case, the Parties will replace the Agreement with a valid Agreement, and the valid agreement should be as close as possible to the original agreement and the corresponding spirit and purpose of this Agreement.

10.3 The understanding and interpretation of this agreement should be based on the purpose of the Agreement, the original meaning of the text, and the common understanding and practice in the industry, and the terms of this agreement and related appendices (if any) should be understood and interpreted as a whole.

Article 11 Supplementary Provisions

11.1 This Agreement is made in two copies, with each party holding one copy, and each copy has the same legal effect. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

[remainder of page intentionally left blank]

(Signature Page to Hashrate Service Agreement)

Party A (seal): **Ethereal Tech ME Limited**

Authorized Representative (Signature): /s/ Haiyi Lu

Date of Signature: September 27, 2024

Party B (seal): **Bitmain Development Limited**

Authorized Representative (Signature): /s/ Ketuan Zhan

Date of Signature: September 27, 2024

Appendix A

Form of Purchase Order (type-1)

Order No.: []

Date: []

Party A: **Ethereal Tech ME Limited**
Address: 2201, Desk D71, floor 22, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates
Contact Number: [***]

Party B: **Bitmain Development Limited**
Address: 2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Contact Number: [***]

Reference is made to the Hashrate Service Agreement (Contract No.: [***]) signed by and between Party A and Party B on September 27, 2024.

Item	Details
Miner Model	[]
Quantity of Miner	[]
Total Purchased Hashrate	[] T
Hashrate Fee	The Hashrate Fees payable by Party A to Party B under this Purchase Order shall be as below: <ul style="list-style-type: none">● Unit Price of Hashrate Fee: US\$[]/T for [] days● Total Hashrate Fee: US\$[]
Hosting Fee:	The unit price of Hosting Fee is [***]/Kwh. The Hosting Fee shall be calculated and settled monthly, and be paid by Party A by the 7th day of each month. The Host Fee of prior month is equal to the amount of the electrical power consumed by the Service actually provided in such month * the unit price of Hosting Fee.
Payment Schedule	[***]
Service Period	[] years ([] days) from the Effective Date
Estimated Effective Date	No later than []

SIGNED by

the authorised signatory(ies)
for and on behalf of Party A

Signature _____

Date _____

SIGNED by

the authorised signatory(ies)
for and on behalf of Party B

Signature _____

Date _____

Appendix B

Form of Purchase Order (type-2)

Order No.: []
Date: []

Party A: **Ethereal Tech ME Limited**
Address: 2201, Desk D71, floor 22, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates
Contact Number: [***]

Party B: **Bitmain Development Limited**
Address: 2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Contact Number: [***]

Reference is made to the Hashrate Service Agreement (Contract No.: [***]) signed by and between Party A and Party B on September 27, 2024.

Item	Details
Total Purchased Hashrate	[] T
Service Fees	The total Service Fees payable by Party A to Party B under this Purchase Order shall be US\$[].
Payment Schedule	[***]
Service Period	[] years ([] days) from the Effective Date
Estimated Effective Date	No later than []

SIGNED by

the authorised signatory(ies)
for and on behalf of Party A

Signature _____

Date _____

SIGNED by

the authorised signatory(ies)
for and on behalf of Party B

Signature _____

Date _____

The symbol “[***]” denotes places where certain identified information has been excluded from the exhibit because it is both (i) not material, and (ii) is the type that the registrant treats as private or confidential.

DATED December 13, 2024

FRAMEWORK

SALES AND PURCHASE AGREEMENT

BETWEEN

BITMAIN TECHNOLOGIES DELAWARE LIMITED

(“BITMAIN”)

and

Ethereal Tech US Corporation (“PURCHASER”)

BM Ref: [***]

THIS AGREEMENT (the “Agreement”) is made on December 13, 2024.

BETWEEN:

(1) **BITMAIN TECHNOLOGIES DELAWARE LIMITED**, a company incorporated under the laws of the State of Delaware, the United States (File Number: 6096946), having its registered office at 840 New Burton Street, Suite 201, Dover, Kent, DE 19904 (“**BITMAIN**”); and

(2) **Ethereal Tech US Corporation**, a company incorporated under the laws of the State of Delaware, the United States, (File Number: 6472467), having its registered office at 1013 Centre Road, Suite 403S, Wilmington, Delaware, County of New Castle, the United States of America (“**Purchaser**”).

Each of the parties to this Agreement is referred herein individually as a “**Party**” and collectively as the “**Parties**”.

WHEREAS:

(A) Purchaser fully understands the market risks, the price-setting principles and the market fluctuations relating to the products of BITMAIN and is familiar with the purchase and ordering process of products of BITMAIN.

(B) Purchaser and BITMAIN desires to establish a framework for the sales and purchase of the Products (as defined below) in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, the Parties agree as follows:

1. Definitions and Interpretations

1.1 The following terms, as used herein, have the following meanings:

“**Affiliate(s)**” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“**Agreement**” means the Agreement for the sales and purchase of Products, including Orders for it, which are its integral parts.

“**Applicable Law(s)**” means any treaty, law, decree, order, regulation, decision, statute, ordinance, rule, directive, code or other document that has legal force under any system of law, including, without limitation, local law, law of any other state or part thereof or international law, and which creates or purports to create any requirement or rule that may affect, restrict, prohibit or expressly allow the terms of this Agreement or any activity contemplated or carried out under this Agreement.

“**Business Day(s)**” means a day (other than Saturday or Sunday) on which banking institutions in the Relevant Jurisdiction are open generally for normal banking business.

“**Contracted Hashrate**” means the aggregation of the hashrate of all the Products as set forth in the applicable Order.

“**Control**” means, with respect to any Person, the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, provided that in the case of a Person that is an entity, such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the holders of the shares or other equity interests or registered capital of such Person or power to control the composition of a majority of the board of directors or similar governing body of such Person. The terms “Controlled” and “Controlling” have meanings correlative to the foregoing.

“**Digital Currency**” means USDT, USDC, or any other digital currency as agreed between the Parties in writing.

“**Fiat Currency**” means US Dollar, or any other government-issued currency designated as legal tender in its country of issuance through government decree, regulation, or law.

“**Force Majeure**” means in respect of either Party, any event or occurrence whatsoever beyond the reasonable control of that Party, non-foreseeable, or even if foreseen, was

unavoidable and occurs after the date of this Agreement in or affecting the Relevant Jurisdictions. “Force Majeure Event(s)” include, without limitation, war (declared or undeclared), terrorist activities, acts of sabotage, blockade, fire, lightning, acts of God, national strikes, riots, insurrections, civil commotions, quarantine restrictions, epidemics, earthquakes, landslides, avalanches, floods, hurricanes, explosions, acts of government, and other instances which are accepted as a force majeure event in general international commercial practice. For the avoidance of doubt, any prohibition or restriction in relation to the production and/or sale of cryptocurrency mining hardware declared by any Governmental Authority (other than the local Governmental Authority with competent authority over BITMAIN) shall not constitute a Force Majeure Event.

“**Governmental Authority**” means any government of any nation, federation, province, state or locality or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

“**Intellectual Property Rights**” means any and all intellectual property rights, including but not limited to those concerning inventions, patents, utility models, registered designs and models, engineering or production materials, drawings, trademarks, service marks, domain names, applications for any of the foregoing (and the rights to apply for any of the foregoing), proprietary or business sensitive information and/or technical know-how, copyright, authorship, whether registered or not, and any neighbor rights.

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“**Order**” means any of the Orders to this Agreement, drawn up according to the sample, in accordance with Appendix B to this Agreement, defining the name of the Products and other essential conditions determined by the Parties;

“**Person**” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity (whether or not having separate legal personality).

“**Purchase Unit Price**” the per T price of the Products, as set forth in the Applicable Orders.

“**Product(s)**” means the high-end models of the S-series cryptocurrency mining hardware and other equipment or merchandise (including but not limited to the S21 XP and S21 Pro) that BITMAIN will sell to the Purchaser in accordance with this Agreement, details of which are set forth in the applicable Orders.

“**Quantity of the Products**” means the quantity of the Products as set forth in the applicable Order, being the quotient of the Contracted Hashrate divided by Rated Hashrate per Unit as set forth in the applicable Order, which is for reference only and shall not be deemed as any representation, warranty or covenant made by BITMAIN. The Quantity of the Products shall be automatically adjusted in accordance with the change (if any) of the Rated Hashrate per Unit of the delivered Products.

“**Rated Hashrate per Unit**” means the rated hashrate of each unit of the Products as set forth in the applicable Order.

“**Relevant Jurisdiction**” means the State of Delaware, the United States.

“**Shipping Method**” means the shipping method the Purchaser desires BITMAIN to deliver to Products, details of which are set forth in the applicable Order.

“**Shipping Period**” means the estimated time period when BITMAIN shall deliver the Products pursuant to Clause 4 of this Agreement on condition that the Purchaser has fulfilled its payment obligations under the applicable Order.

“**Total Purchase Price**” means the total purchase price of the Products as set forth in the applicable Order, being the product of Purchase Unit Price multiplied by the Contracted Hashrate.

“**US\$**” or “**US Dollar(s)**” means the lawful currency of the United States of America.

“**Warranty Period**” means the period of time that the Products are covered by the warranty granted by BITMAIN or its Affiliates in accordance with Clause 6.

“**Warranty Start Date**” means the date on which the Products are delivered pursuant to Clause 4.1 as recorded on BITMAIN Website (as defined below).

1.2 In this Agreement, unless otherwise specified:

(a) Any singular term in this Agreement shall be deemed to include the plural and vice versa where the context so requires.

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(b) The headings in this Agreement are inserted for convenience only and shall not be taken into consideration in the interpretation or construction of this Agreement.

(c) References to Clause(s), Appendix(es) and Orders are references to Clause(s), Appendix(es) and Orders of this Agreement.

(d) The Appendixes and Orders form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

(e) Unless specifically stated otherwise, all references to days shall mean calendar days.

(f) Any reference to a code, law, statute, statutory provision, statutory instrument, order, regulation or other instrument of similar effect shall include any re-enactment or amendment thereof for the time being in force.

2. Sales and Purchase of Products

2.1 Subject to the terms and conditions set forth herein and the Orders to this Agreement, the Purchaser agrees to purchase and BITMAIN agrees to sell the Products agreed in each of the applicable Order.

2.2 This Agreement is a framework agreement; it defines the general conditions of the obligations of the Parties. The model, specifications, reference quantity, Shipping Method, Shipping Period, price and the payment schedule of the Products are agreed upon by the Parties in the Orders to this Agreement.

2.3 The Orders must contain a reference to the BM Ref number and date of this Agreement and, after signing, are an integral part of this Agreement.

3. Price and Terms of Payment

3.1. The Purchaser shall pay the Total Purchase Price of Products under each Order in accordance with the payment schedule as set forth in the applicable Order.

3.2 All sums payable by the Purchaser to BITMAIN shall not be subject to any abatement, set-off, claim, counterclaim, adjustment, reduction, or defense for any reason. Unless otherwise explicitly specified herein, any and all payments made by the Purchaser (including, without limitation, the payment of the Total Purchase Price) are not refundable. Without prejudice to the foregoing, the Parties acknowledge and agree that BITMAIN shall be entitled to deduct from, set-off and apply any and all deposits and balance of the Purchaser for any sums owed by the Purchaser to BITMAIN, including but not limited to any liquidated damages, indemnities, liabilities, etc.

3.3 In the event that the Purchaser fails to fully settle the respective percentage of the Total Purchase Price with respect to any applicable batch before the prescribed deadline(s) as set forth in Orders without BITMAIN's prior written consent, BITMAIN, at its sole discretion, shall be entitled to: (a) charge default interest on all unpaid amount with respect to each applicable batch, at the rate of twelve percent (12%) per annum; and (b) continue to perform its obligations with respect to such applicable batch, provided that, in each case, any and all the losses, claims, damages or liabilities that BITMAIN may suffer shall be fully indemnified by the Purchaser.

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3.4 Before the Purchaser makes any payment on any Product(s), the Parties shall confirm and agree on the Order against which payment is being made. This confirmation shall be used to determine matters where different arrangements are applicable to different Orders, including, but not limited to, defaults of the Purchaser and the product discount (if any) offered to the Purchaser.

3.5 The Purchaser shall complete the relevant order processing procedures on the official website of BITMAIN: <https://shop.bitmain.com> (the "**BITMAIN Website**") in accordance with BITMAIN's instructions.

3.6 The Parties understand and agree that the Total Purchase Price as set forth in Orders is inclusive of the insurance (as set forth in Article 4 of this Agreement) fee and applicable bank transaction fee, but is exclusive of the logistics costs of shipping from BITMAIN's factory to the designated place of the Purchaser, relevant maintenance or other applicable costs of the Purchaser to purchase the Products, and any and all applicable import duties, taxes (any value-added taxes, sales and use tax and other similar turnover tax) and governmental charges.

3.7 The Purchaser is responsible for being compliant with tax filing requirement regulated by any federal, state or local taxing authority in the United States regarding all applicable taxes, including, but not limited to sales and use tax, value added taxes and any other governmental charges and duties connected with the services provided by BITMAIN or the payment of any amounts hereunder. The Purchaser agrees to provide BITMAIN with the tax payment certificate or acknowledgement or the confirmation email issued by the relevant state tax authorities regarding the abovementioned taxes as applicable.

3.8 The Purchaser and BITMAIN agree to cooperate in good faith to ensure full compliance with all tax obligations and to maintain accurate records of sales tax transactions. By agreeing to this clause, both parties acknowledge their understanding of and agreement to their respective responsibilities for sales and use tax compliance within the United States. The Purchaser shall indemnify and hold BITMAIN harmless from and against any and all liability of tax filing, claims, late payment interest, fines, penalties in relation to sales and use tax, property tax, value-added taxes and any other governmental charges and duties connected with the sale and use of the Products provided by BITMAIN or the payment of any amounts hereunder, provided that such liability, governmental charges and duties is caused or attributed to the Purchaser's gross negligence or willful default.

4. Shipping of Products

4.1 The Parties agree that the shipping of the Products shall be completed as follows:

(a) BITMAIN shall notify the Purchaser when a batch or a portion of the batch of the Products is ready for shipment ("**Ready-to-Ship Notification**") during or after the Shipping Period as set forth in the applicable Order (in any event no later than 30th day after the expiration of the Shipping Period in such Order), provided that, the Purchaser shall have fulfilled its payment obligations in accordance with this Agreement and the applicable Order. For each batch, BITMAIN shall be entitled to ship by installments and send a Ready-to-Ship Notification for each installment. BITMAIN shall be deemed to have fulfilled its obligation to deliver the Products once BITMAIN sends the Purchaser the Ready-to-Ship Notification.

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(b) Within three (3) days upon the receipt of the Ready-to-Ship Notification, the Purchaser shall inform BITMAIN of a shipping address or its intention to self-pick up the Products in a manner as agreed by the Parties (the "**Confirmation**"). The title and risk of loss or damage to the Products shall pass to the Purchaser when BITMAIN delivers the Products to the carrier, or when the Purchaser self-picks up the Products, whichever is applicable.

(c) If the Purchaser fails to provide the Confirmation within thirty (30) days following receipt of the Ready-to-Ship Notification, BITMAIN shall be entitled to handle the Products in any manner it deems appropriate.

(d) Under no circumstance shall BITMAIN be required to refund the payment already made if the Purchaser fails to provide the Confirmation.

4.2 Subject to Clause 4.1 and the limitations stated in this Article, the terms of delivery of the Products shall be FCA (BITMAIN's factory or warehouse) according to Incoterms 2020. The Parties hereby acknowledge and agree that the delivery of the Products to the carrier shall occur outside of the jurisdiction of the United States.

4.3 In the event of any discrepancy between this Agreement and BITMAIN's cargo insurance policy regarding the insurance coverage, the then effective BITMAIN cargo insurance policy shall prevail, and BITMAIN shall be required to provide the then effective insurance coverage to the Purchaser.

4.4 If BITMAIN, at its own fault, fails to send the Ready-to-Ship Notification within thirty (30) days after the expiration of the Shipping Period as set forth in the applicable Order, the Purchaser shall be entitled to cancel such batch of Products and request BITMAIN to refund the respective price of such undelivered batch of Products already paid by the Purchaser together with an interest at 0.0333% per day for the period from the next day of each payment of the price of such batch of Products to the date immediately prior to the request of refund. In the event that the Purchaser does not cancel undelivered batch of Products and requests BITMAIN to perform its delivery obligation, BITMAIN shall continue to perform its delivery obligation and compensate the Purchaser in accordance with Clause 4.5 of this Agreement.

4.5 If BITMAIN, at its own fault, fails to send the Ready-to-Ship Notification within thirty (30) days after expiration of the Shipping Period as set forth in the applicable Order and the Purchaser does not cancel such batch of Products and requests BITMAIN to perform its delivery obligations, BITMAIN shall make a compensation to the Purchaser. The compensation shall equal to the aggregate amount of 0.0333% per day of the respective price already paid by the Purchaser of such undelivered batch of Products for the period from the next day of each payment of the price of such batch of Products to the date immediately prior to the request of compensation. The compensation shall be made in the form of increase to the Contracted Hashrate by delivery of more Products representing the amount of compensation. If there is balance of compensation after deducting the price of increased Products, or the compensation amounts less than the price of one unit of Product, the balance of the compensation or the compensation shall be made in the form of

4.7 Logistics costs shall be borne by the Purchaser. BITMAIN shall be entitled to collect payments on behalf of the logistics service providers and issue logistics service invoices if the Purchaser requests BITMAIN to send the Products. If the Purchaser requests BITMAIN to send the Products on behalf of the Purchaser, BITMAIN will send a shipping confirmation to the Purchaser after it has delivered the Products to the carrier.

4.8 Notwithstanding anything to the contrary contained in Clauses 4.4 and 4.5, under no circumstances, BITMAIN shall be responsible for any delivery delay caused by the Purchaser or any third party, including but not limited to the carrier, the customs, and the import brokers, nor shall it be liable for damages, whether direct, indirect, incidental, consequential, or otherwise, for any failure, delay or error in delivery of any Products for any reason whatsoever.

4.9 BITMAIN shall not be responsible for, and the Purchaser shall be fully and exclusively responsible for any loss of Product(s), personal injury, property damage, other damage or liability caused by the Product(s) or the transportation of the Product(s) either to the Purchaser or any third party, or theft of the Product(s) during transportation from BITMAIN to the Purchaser.

4.10 BITMAIN has the right to discontinue the sales of the Products and to make changes to its Products at any time, without prior approval from or notice to the Purchaser.

4.11 If the Product(s) is rejected and/or returned to BITMAIN due to any reason and regardless of the cause of such delivery failure, the Purchaser shall be solely and exclusively liable for and shall defend, fully indemnify and hold harmless BITMAIN against any and all related expenses, fees, charges and costs incurred, arising out of or incidental to such rejection and/or return (the “**Return Expense**”). Furthermore, if the Purchaser would like to ask for BITMAIN’s assistance in redelivering such Product(s) or in any other manner, and if BITMAIN at its sole discretion decides to provide this assistance, then in addition to the Return Expense, the Purchaser shall also pay BITMAIN an administrative fee in accordance with BITMAIN’s then applicable internal policy.

4.12 If the Purchaser fails to provide BITMAIN with the Confirmation or the shipping address provided by the Purchaser is a false address or does not exist, or the Purchaser rejects to accept the Products when delivered, any related costs occurred (including storage costs, warehousing charge and labor costs) shall be borne by the Purchaser.

4.13 The Purchaser shall inspect the Products within seven (7) days (the “**Acceptance Time**”) after receiving the Products (the date of signature on the carrier’s delivery voucher shall be the date of receipt, or the date when the Purchaser self-picks up the Products, whichever is applicable). If the Purchaser does not raise any written objection within the Acceptance Time, the Products delivered by BITMAIN shall be deemed to be in full compliance with the provisions of this Agreement. The Products delivered are neither returnable nor refundable.

4.14 The cargo insurance (if applicable) coverage provided by BITMAIN is subject to the following limitations and exceptions:

(a) loss damage or expense attributable to willful misconduct of the Assured;

(b) ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured;

(c) loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this paragraph, “packing” shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants);

(d) loss damage or expense caused by inherent vice or nature of the subject matter insured;

(e) loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable);

(f) loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel;

(g) loss, damage, or expense arising from the use of any weapon of war employing atomic or nuclear fission, and/or fusion or other like reaction or radioactive force or matter;

(h) loss, damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein;

(i) the Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness;

(j) loss, damage or expense caused by (1) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, (2) capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt threat, (3) derelict mines, torpedoes, bombs, or other derelict weapons of war; and

(k) loss, damage, or expense caused by strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotion, resulting from strikes, lock-outs, labor disturbances, riots or civil commotions, caused by any terrorist or any person acting from a political motive.

5. Customs

5.1 BITMAIN shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances for the export of the Product(s) that are required to be obtained by BITMAIN or the carrier under Applicable Laws.

5.2 The Purchaser shall obtain in due time and maintain throughout the term of this Agreement (if applicable), any and all approvals, permits, authorizations, licenses and clearances required for the import of the Products to the country of delivery as indicated in the shipping information, that are required to be obtained by the Purchaser or the carrier

under Applicable Laws, and shall be responsible for any and all additional fees, expenses and charges in relation to the import of the Products.

5.3 BITMAIN shall not be liable for any loss caused by confiscation, seizure, search or other actions taken by government agencies such as customs, except such loss is attributable to BITMAIN's negligence or fault.

6. Warranty

6.1 The Warranty Period shall start on the Warranty Start Date and end on the 365th day after the Warranty Start Date. During the Warranty Period, the Purchaser's sole and exclusive remedy, and BITMAIN's entire liability, will be to repair or replace, at BITMAIN's option, the defective part/component of the Product(s) or the defective Product(s) at no charge to the Purchaser. If the Purchaser requires BITMAIN to provide any Warranty services, the Purchaser shall complete the appropriate actions on BITMAIN Website in accordance with the requirements of BITMAIN and send the Product(s) to the place designated by BITMAIN within the time limit required by BITMAIN. Otherwise, BITMAIN shall be entitled to refuse to provide the Warranty services.

6.2 The Parties acknowledge and agree that the warranty provided by BITMAIN as stated in the preceding paragraph does not apply to the following:

- (a) normal wear and tear;
- (b) damage resulting from accident, abuse, misuse, neglect, improper handling or improper installation;
- (c) damage or loss of the Product(s) caused by undue physical or electrical stress, including but not limited to moisture, corrosive environments, high voltage surges, extreme temperatures, shipping, or abnormal working conditions;
- (d) damage or loss of the Product(s) caused by acts of nature including, but not limited to, floods, storms, fires, and earthquakes;
- (e) damage caused by operator error, or non-compliance with instructions as set out in accompanying documentation provided by BITMAIN;
- (f) alterations by persons other than BITMAIN, or its associated partners or authorized service facilities;
- (g) Product(s), on which the original software has been replaced or modified by persons other than BITMAIN, or its associated partners or authorized service facilities;
- (h) counterfeit products;

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- (i) damage or loss of data due to interoperability with current and/or future versions of operating system, software and/or hardware;
- (j) damage or loss of data caused by improper usage and behavior which is not recommended and/or permitted in the product documentation provided by BITMAIN;
- (k) failure of the Product(s) caused by usage of products not supplied by BITMAIN; and
- (l) burnt hash boards or chips.

In case the warranty is voided, BITMAIN may, at its sole discretion, provide repair service to the Purchaser, and the Purchaser shall bear all related expenses and costs.

6.3 Notwithstanding anything to the contrary herein, the Purchaser acknowledges and agrees that the Products provided by BITMAIN do not guarantee any cryptocurrency mining time and, BITMAIN shall not be liable for any cryptocurrency mining time loss or cryptocurrency mining revenue loss that are caused by downtime of any part/component of the Products. BITMAIN does not warrant that the Products will meet the Purchaser's requirements or the Products will be uninterrupted or error free. Except as provided in Clause 6.1, BITMAIN makes no warranties to the Purchaser with respect to the Products, and no warranties of any kind, whether written, oral, express, implied or statutory, including warranties of merchantability, fitness for a particular purpose or non-infringement or arising from course of dealing or usage in trade shall apply.

6.4 In the event of any ambiguity or discrepancy between this Clause 6 and BITMAIN's After-sales Service Policy on BITMAIN Website from time to time, it is intended that the After-sales Service Policy shall prevail and the Parties shall comply with and give effect to the After-sales Service Policy. Please refer to BITMAIN Website for detailed terms of warranty and after-sales maintenance. BITMAIN has no obligation to notify the Purchaser of the update or modification of such terms.

6.5 During the warranty period, if the hardware of the product(s) needs to be repaired or replaced, the Purchaser shall bear the logistics costs of shipping the Product(s) to the address designated by BITMAIN, and BITMAIN shall bear the logistics costs of shipping back the repaired or replaced Product(s) to the address designated by the Purchaser. The Purchaser shall bear all and any additional costs incurred due to incorrect or incomplete delivery information provided by the Purchaser and all and any risks of loss or damage to the Product(s), or the parts or components of the Products(s) during the transportation period returned by BITMAIN to the Purchaser.

7. Representations and Warranties

7.1 BITMAIN and the Purchaser make the following representations and warranties to each other:

(a) It is duly incorporated or organized, validly existing and in good standing (or equivalent status) under the laws of the jurisdiction of its incorporation or organization. It has the full power and authority to own its assets and carry on its businesses.

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(b) The obligations expressed to be assumed by it under this Agreement are legal, valid, binding and enforceable obligations.

(c) It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

(d) The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with any Applicable Laws, its constitutional documents; or any agreement or instrument binding upon it or any of its assets.

(e) All authorizations required or desirable, to enable it lawfully to enter into, exercise its rights under and comply with its obligations under this Agreement; to ensure that those

obligations are legal, valid, binding and enforceable; and to make this Agreement admissible in evidence in its jurisdiction of incorporation, have been, or will have been by the time, obtained or effected and are, or will be by the appropriate time, in full force and effect.

(f) It is not aware of any circumstances which are likely to lead to any authorization obtained or effected not remaining in full force and effect, any authorization not being obtained, renewed or effected when required or desirable; or any authorization being subject to a condition or requirement which it does not reasonably expect to satisfy or the compliance with which has or could reasonably be expected to have a material adverse effect.

(g) It is not the target of economic sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”), the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty’s Treasury of the United Kingdom or Singapore (“**Sanctions**”), including by being listed on the Specially Designated Nationals and Blocked Persons (SDN) List maintained by OFAC or any other Sanctions list maintained by one of the foregoing governmental authorities, directly or indirectly owned or controlled by one or more SDNs or other Persons included on any other Sanctions list, or located, organized or resident in a country or territory that is the target of Sanctions; and the purchase of the Products will not violate any Sanctions or import and export control related laws and regulations.

(h) All information supplied by BITMAIN/the Purchaser is and shall be true and correct, and the information does not contain and will not contain any statement that is false or misleading.

(i) It acknowledges and agrees that, in entering into this Agreement, the other Party has relied on the representations and warranties set forth in this Clause 7.1 and Clause 14.

8. Indemnification and Limitation of Liability

8.1 The Purchaser shall, during the term of this Agreement and at any time thereafter, indemnify and save BITMAIN and/or its Affiliates harmless from and against any and all damages, suits, claims, judgments, liabilities, losses, fees, costs or expenses of any kind, including legal fees, whatsoever arising out of or incidental to the Products pursuant to this Agreement.

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8.2 Notwithstanding anything to the contrary herein, BITMAIN and its Affiliates shall under no circumstances, be liable to the Purchaser for any consequential loss, or any indirect, incidental, special, exemplary or punitive damages, or any measure of damages based on diminution in value or based on any loss of goodwill, business, anticipated profits, revenue, contract, or business opportunity or similar concept arising out of or in connection with this Agreement, and the Purchaser hereby waives any claim it may at any time have against BITMAIN and its Affiliates in respect of any such damages. The foregoing limitation of liability shall apply whether in an action at law, including but not limited to contract, strict liability, negligence, willful misconduct or other tortious action, or an action in equity.

8.3 BITMAIN and its Affiliates’ cumulative aggregate liability pursuant to this Agreement, whether arising from tort, breach of contract or any other cause of action shall be limited to and not exceed the amount of one hundred percent (100%) of the payment actually received by BITMAIN from the Purchaser for the Products under this Agreement.

8.4 The Products are not designed, manufactured or intended for use in hazardous or critical environments or in activities requiring emergency or fail-safe operation, such as the operation of nuclear facilities, aircraft navigation or communication systems or in any other applications or activities in which failure of the Products may pose the risk of environmental harm or physical injury or death to humans. In addition to the disclaimer of warranties set forth in Clause 6.3, BITMAIN further disclaims any express or implied warranty of fitness for any of the above described applications and any such use shall be at the Purchaser’s sole risk.

8.5 As far as permitted by laws, except for the warranty as set forth in Clause 6, BITMAIN provides no other warranty, explicit or implied, in any form, including but not limited to the warranty of the marketability, satisfaction of the quality, suitability for the specific purpose, not infringing third party’s right, etc. In addition, BITMAIN shall not be responsible for any direct, specific, incidental, accidental or indirect loss arising from the use of the Products, including but not limited to the loss of commercial profits.

8.6 BITMAIN shall not be liable for any loss caused by: (a) failure of the Purchaser to use the Products in accordance with the manual, specifications, operation descriptions or operation conditions provided by BITMAIN in writing; or (b) the non-operation of the Products during the replacement/maintenance period or caused by other reasons.

8.7 The above limitations and exclusions shall survive and apply: (a) notwithstanding failure of essential purpose of any exclusive or limited remedy; and (b) whether or not BITMAIN has been advised of the possibility of such damages. The Parties acknowledge the limitation of liability and the allocation of risks in this Clause 8 is an essential element of the basis of the bargain between the Parties under this Agreement and BITMAIN’s pricing reflects this allocation of risks and the abovementioned limitations of liability.

9. Distribution

9.1 This Agreement does not constitute a distributor agreement between BITMAIN and the Purchaser. Therefore, the Purchaser acknowledges that it is not an authorized distributor of BITMAIN.

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9.2 The Purchaser shall in no event claim or imply to a third party that it is an authorized distributor of BITMAIN or BITMAIN (ANTMINER) or their respective Affiliates, or perform any act that will cause it to be construed as an authorized distributor of BITMAIN or BITMAIN (ANTMINER) or their respective Affiliates. As between the Purchaser and BITMAIN, the Purchaser shall be exclusively and fully responsible for complying with the Applicable Laws regarding repackaging the Products for the Purchaser’s redistribution needs, and shall be solely liable for any and all liabilities or costs directly incurred or incidental to such redistribution.

10. Intellectual Property Rights

10.1 The Parties agree that the Intellectual Property Rights in any way contained in the Products, made, conceived or developed by BITMAIN and/or its Affiliates for the Products under this Agreement and/or, achieved, derived from, related to, connected with the provision of the Products by BITMAIN and/or acquired by BITMAIN from any other person in performance of this Agreement shall be the exclusive property of BITMAIN and/or its Affiliates.

10.2 Notwithstanding anything to the contrary herein, all Intellectual Property Rights in the Products shall remain the exclusive property of BITMAIN and/or its Affiliates and/or its licensors. Except for licenses explicitly identified in BITMAIN’s shipping confirmation or in this Clause 10.2, no rights or licenses are expressly granted, or implied, whether by estoppel or otherwise, in respect of any Intellectual Property Rights of BITMAIN and/or its Affiliates or any Intellectual Property residing in the Products provided by BITMAIN to the Purchaser, including in any documentation or any data furnished by BITMAIN. BITMAIN grants the Purchaser a non-exclusive, non-transferable, royalty-free and irrevocable license of BITMAIN and/or its Affiliates’ Intellectual Property Rights to solely use the Products delivered by BITMAIN to the Purchaser for their ordinary function, and subject to the provisions set forth herein. The Purchaser shall in no event violate the Intellectual Property Rights of BITMAIN and/or its Affiliates and/or its licensors.

10.3 The Purchaser shall not illegally use or infringe the Intellectual Property Rights of the Products in any way. Otherwise, BITMAIN shall have the right to request the Purchaser

to take immediate remedial measures and assume full responsibilities, including but not limited to ceasing the infringement immediately, eliminating the impact, and compensating BITMAIN and/or its Affiliates for all losses arising out of the infringement, etc.

10.4 The Purchaser shall not use any technical means to disassemble, mapping or analyze the Products of BITMAIN, and shall not reverse engineer or otherwise attempt to derive or obtain information about the function, manufacture or operation of the Products, to retrieve relevant technical information of the Products and use it for commercial purposes. Otherwise, the Purchaser shall be liable for losses caused to BITMAIN in accordance with Clause 10.3.

10.5 If applicable, payment by the Purchaser of non-recurring charges to BITMAIN for any special designs, or engineering or production materials required for BITMAIN's performance of obligations for customized Products, shall not be construed as payment for the assignment from BITMAIN to the Purchaser of title to such special design, engineering or production materials. BITMAIN shall be the sole owner of such special designs, engineering or production materials with regard to such Products.

11. Confidentiality and Communications

11.1 All information concerning this Agreement and matters pertaining to or derived from the provision of Products pursuant to this Agreement between the Parties, whether in oral or written form, or in the form of drawings, computer programs or other, as well as all data derived therefrom (“**Confidential Information**”), shall be deemed to be confidential and, as such, may not be divulged to any unauthorized person. The Purchaser undertakes and agrees to take all reasonable and practicable steps to ensure and protect the confidentiality of the Confidential Information which cannot be passed, sold, traded, published or disclosed to any unauthorized person.

12. Term of this Agreement

12.1 The Purchase is entitled to purchase no more than 80,000 Products during the term of this Agreement.

12.2 The Parties agree that, unless this Agreement specifies otherwise, no Party shall terminate this Agreement in advance.

12.3 This Agreement shall have a term effective from the date upon execution by both Parties of this Agreement (“**Effective Date**”) and expiring on the second (2nd) anniversary of the Effective Date and shall remain effective up to and until the delivery of the last batch of Products under the applicable Order (whichever is later).

13. Notices

13.1 All notices, requirements, requests, claims, and other communications in relation to this Agreement shall be in writing, and shall be given or made by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) or electronic mail to the respective Parties at the addresses specified below or at such other address for a Party as may be specified in a notice given in accordance with this Clause 13.

13.2 Each Party undertakes that the documents, materials, vouchers, order information, payment account information, credential numbers, mobile phone numbers, transaction instructions and so on provided by the Party shall be true, correct, complete and effective, and the information does not contain any statement that is false or misleading.

13.3 If there is any suspicious transaction, illegal transaction, risky transaction or other risky events of the Purchaser's account registered on BITMAIN Website, the Purchaser agrees that BITMAIN shall have the right to disclose the Purchaser's registration information, transaction information, identity information, logistics information upon the request of relevant judicial agencies, regulatory agencies or third-party payment institutions for investigation purpose. In addition, if necessary, the Purchaser shall provide further information upon BITMAIN's request.

13.4 The following are the initial address of each Party:

If to the Purchaser:

Address: [***]
Attn: [***]
Phone: [***]
Email: [***]

If to BITMAIN:

Address: [***]
Attn: [***]
Phone: [***]
Email: [***]

13.5 All such notices and other communications shall be deemed effective in the following situations:

- (a) if sent by delivery in person, on the same day of the delivery;
- (b) if sent by registered or certified mail or overnight courier service, on the same day the written confirmation of delivery is sent; and
- (c) if sent by electronic mail, at the entrance of the related electronic mail into the recipient's electronic mail server.

14. Compliance with Laws and Regulations

14.1 Each Party undertakes that it will fully comply with all Applicable Laws in relation to export and import control and Sanctions and shall not take any action that would cause the other Party or any of its Affiliates to be in violation of any export and import control laws or Sanctions. Each Party shall also be fully and exclusively liable for and shall defend, fully indemnify and hold harmless the other Party and/or its Affiliates from and against any and all claims, demands, actions, costs or proceedings brought or instituted against the other Party and/or its Affiliates arising out of or in connection with any breach by the Party or the carrier of any Applicable Laws in relation to export and import control or Sanction.

14.2 Each Party acknowledges and agrees that the Products in this Agreement are subject to the export control laws and regulations of all related countries, including but not limited to Export Administration Regulations of the United States ("EARs"). Without limiting the foregoing, each Party shall not, without receiving the proper licenses or license exceptions from all related governmental authorities, including but not limited to the U.S. Bureau of Industry and Security, distribute, re-distribute, export, re-export, or transfer any Products subject to this Agreement either directly or indirectly, to any national of any country identified in Country Groups D:1 or E:1 as defined in the EARs. In addition, the Products under this Agreement may not be exported, re-exported, or transferred to (a) any person or entity for military purposes; (b) any person or entity listed on the "Entity List", "Denied Persons List" or the SDN List as such lists are maintained by the U.S. Government, or (c) an end-user engaged in activities related to weapons of mass destruction. Such activities include but are not necessarily limited to activities related to: (x) the design, development, production, or use of nuclear materials, nuclear facilities, or nuclear weapons; (y) the design, development, production, or use of missiles or support of missiles projects; and (z) the design, development, production, or use of chemical or biological weapons. Each Party further agrees that it will not do any of the foregoing in violation of any restriction, law, or regulation of the European Union or an individual EU member state that imposes on an exporter a burden equivalent to or greater than that imposed by the U.S. Bureau of Industry and Security.

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14.3 Each Party undertakes that it will not take any action under this Agreement or use the Products in a way that will be a breach of any anti-money laundering laws, any anti-corruption laws, and/or any counter-terrorist financing laws.

14.4 The Purchaser warrants that the Products have been purchased with funds that are from legitimate sources and such funds do not constitute proceeds of criminal conduct, or realizable property, or proceeds of terrorism financing or property of terrorist. If BITMAIN receives, including but not limited to investigation, evidence collection, restriction and other measures, from any competent organizations or institutions, the Purchaser shall immediately cooperate with BITMAIN and such competent organizations or institutions in the investigation process, and BITMAIN may request the Purchaser to provide necessary security if so required. If any competent organizations or institutions request BITMAIN to seize or freeze the Purchaser's Products and funds (or take any other measures), BITMAIN shall be obliged to cooperate with such competent organizations or institutions, and shall not be deemed as breach of this Agreement. The Purchaser understands that if any Person resident in the Relevant Jurisdiction knows or suspects or has reasonable grounds for knowing or suspecting that another Person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the Person will be required to report such knowledge or suspicion to the competent authorities. The Purchaser acknowledges that such a report shall not be treated as breach of confidence or violation of any restriction upon the disclosure of information imposed by any Applicable Law, contractually or otherwise.

15. Force Majeure

15.1 To the extent that the performance of any obligation of either Party under this Agreement (other than an obligation to make payment) is prevented, frustrated, hindered or delayed as a consequence of a Force Majeure Event and subject to the exercise of reasonable diligence by the other Party, the obligations of Parties to the extent they are affected by the Force Majeure Event (other than an obligation to make payment), shall be suspended for the duration of any inability so caused; provided that, the Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of such event: (i) notify the other Party of the nature, condition, date of inception and expected duration of such Force Majeure Event and the extent to which the claiming Party expects that the Force Majeure Event may delay, prevent or hinder such Party from performing its obligations under this Agreement; and (ii) use its best effort to remove any such causes and resume performance under this Agreement as soon as reasonably practicable and mitigate its effects.

15.2 Except in the case of an event of Force Majeure, neither party may terminate this Agreement prior to its expiry date.

15.3 The Purchaser hereby acknowledges and warrants that this Agreement shall not be terminated by the Purchaser for the reasons of the restrictions or prohibitions of the cryptocurrency mining activities by any Applicable Laws or Governmental Authority except for United States. This Clause 15.3 shall prevail over all other clauses herein.

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16. Entire Agreement and Amendment

16.1 This Agreement constitutes the entire agreement of the Parties hereto and can only be amended with the written consent of both Parties.

17. Assignment

17.1 BITMAIN may freely assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part to its Affiliates or to any third party. The Purchaser may not assign or transfer any of its rights, benefits or obligations under this Agreement in whole or in part without BITMAIN's prior written consent.

17.2 This Agreement shall be binding upon and inure to the benefit of each Party to this Agreement and its successors in title and permitted assigns.

18. Severability

18.1 To the extent possible, if any provision of this Agreement is held to be illegal, invalid or unenforceable in whole or in part by a competent court or arbitral tribunal, the provision shall apply with whatever deletion or modification is necessary so that such provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties. The remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.

19. Personal Data

19.1 Depending on the nature of the Purchaser's interaction with BITMAIN, some examples of personal data which BITMAIN may collect from the Purchaser include the Purchaser's name and identification information, contact information such as the Purchaser's address, email address and telephone number, nationality, gender, date of birth, and financial information such as credit card numbers, debit card numbers and bank account information.

19.2 BITMAIN generally does not collect the Purchaser's personal data unless (a) it is provided to BITMAIN voluntarily by the Purchaser directly or via a third party who has been duly authorized by the Purchaser to disclose the Purchaser's personal data to BITMAIN (the Purchaser's "authorized representative") after (i) the Purchaser (or the Purchaser's authorized representative) has been notified of the purposes for which the data is collected, and (ii) the Purchaser (or the Purchaser's authorized representative) has provided written consent to the collection and usage of the Purchaser's personal data for those purposes, or (b) collection and use of personal data without consent is permitted or

required by related laws. BITMAIN shall seek the Purchaser’s consent before collecting any additional personal data and before using the Purchaser’s personal data for a purpose which has not been notified to the Purchaser (except where permitted or authorized by Applicable Laws).

20. Survival

20.1 All provisions of Clauses 5, 6, 8, 9, 10, 11, 14 and 19 shall survive the termination or completion of this Agreement.

21. Conflict with the Terms and Conditions

21.1 In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Terms and Conditions of BITMAIN on BITMAIN Website from time to time, the provisions of this Agreement shall prevail and the Parties shall comply with and give effect to this Agreement.

22. Governing Law and Dispute Resolution

22.1 This Agreement shall be solely governed by and construed in accordance with the laws of the State of Delaware, the United States.

22.2 All disputes arising under this agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflict of laws. The parties to this agreement will submit all disputes arising under this agreement to arbitration in Houston, Texas before a single arbitrator of the American Arbitration Association (“AAA”). The arbitrator shall be an attorney admitted to practice law in the State of Delaware. No party to this agreement will challenge the jurisdiction or venue provisions as provided in this section. Nothing contained herein shall prevent the party from obtaining an injunction. The breaching Party shall bear the attorney and arbitration fees of the non-breaching Party. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY.

23. Waiver

23.1 Failure by either Party to enforce at any time any provision of this Agreement, or to exercise any election of options provided herein shall not constitute a waiver of such provision or option, nor affect the validity of this Agreement or any part hereof, or the right of the waiving Party to thereafter enforce each and every such provision or option.

24. Counterparts and Electronic Signatures

24.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, will be deemed to constitute one and the same agreement. The facsimile, email or other electronically delivered signatures of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

25. Further Assurance

25.1 Each Party undertakes to the other Party to execute or procure to be executed all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give all Parties the full benefit of this Agreement.

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Signed for and on behalf of BITMAIN

BITMAIN TECHNOLOGIES DELAWARE LIMITED

Signature: /s/ Cheng Ran
Title: Authorised Signatory

Signed for and on behalf of the Purchaser

Ethereal Tech US Corporation

Signature: /s/ Liang Lu
Title: Authorised Signatory

Appendix A

1. Purchaser Stock Payment Option. The Purchaser shall have an option (the “**Stock Payment Option**”) to pay all or a portion of the Second Interim Payment, as set forth in each Order by causing BitFuFu Inc., a Cayman Islands exempted company which indirectly holds all of the equity interests in the Purchaser (the “**Purchaser Parent**”) to issue and deliver to BITMAIN certain number of shares of Purchaser Parent Common Stock (as defined below) equal to (i) the applicable amount of the Second Interim Payment the Purchaser elects to be paid in Purchaser Parent Common Stock, divided by (ii) 80% of its deemed per share issue price (the “**Deemed Per Share Issue Price**”), subject to the terms and conditions set forth in the subscription agreement in substantially the form attached hereto as Exhibit I (the “**Subscription Agreement**”). The Deemed Per Share Issue Price of any Purchaser Parent Common Stock (as defined below) shall equal the average closing price of the class A ordinary shares, par value US\$0.0001 per share, of the Purchaser Parent (the “**Purchaser Parent Common Stock(s)**”) traded on the applicable Nasdaq exchange for the thirty (30) continuous trading days immediately preceding the applicable payment date of the applicable batch of the Products under the applicable Order.

2. **Exercise of Stock Payment Option.** To exercise the Stock Payment Option, the Purchaser shall deliver a written notice (the “**Exercise Notice**”) to BITMAIN at least five (5) Business Days prior to the applicable payment deadline set forth in the applicable Order confirming the Purchaser’s intention to exercise the Stock Payment Option. Each Exercise Notice shall set forth: (i) the aggregate number of the Purchaser Parent Common Stocks to be issued to BITMAIN in connection with such exercise of the Stock Payment Option, (ii) the applicable Deemed Per Share Issue Price, and (iii) the total dollar amount deemed to be paid in stock which shall equal (x) the number of the Purchaser Parent Common Stocks to be issued to BITMAIN upon such exercise of the Stock Payment Option multiplied by (y) the applicable Deemed Per Share Issue Price. The applicable number of the Purchaser Parent Common Stocks shall be issued and delivered to BITMAIN pursuant to the terms and conditions of the Subscription Agreement duly executed by the BitFuFu Inc. and BITMAIN with respect to such shares. The Purchaser shall cause BitFuFu Inc. to duly execute the Subscription Agreement with BITMAIN and to issue and deliver the aggregate number of the Purchaser Parent Common Stocks set forth in the Exercise Notice to BITMAIN within two (2) months of the applicable payment date of the applicable batch of the Products under the applicable Order, and shall use its best efforts to ensure the foregoing actions are completed as soon as practicable.

3. **Registration Statement.** As of a date no later than 60 calendar days following the first issuance date of any Purchaser Parent Common Stocks to BITMAIN (the “**Filing Deadline**”), the Purchaser shall have caused BitFuFu Inc. to file with the Securities and Exchange Commission a registration statement (the “**Registration Statement**”) registering the resale of the number of the Purchaser Parent Common Stocks issued, and to use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than 120 calendar days following the Filing Deadline. The Purchaser shall cause BitFuFu Inc. to use its commercially reasonable efforts to keep such Registration Statement, and any qualification, exemption or compliance under state securities laws which BitFuFu Inc. determines to obtain, continuously effective with respect to BITMAIN, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earlier of the date that (i) BITMAIN ceases to hold any Purchaser Parent Common Stocks obtained by virtue of this Agreement, or (ii) all Purchaser Parent Common Stocks obtained by virtue of this Agreement held by BITMAIN may be sold without any transfer restrictions (including pursuant to Rule 144 promulgated under the Securities Act).

4. **No “Market Stand-off” Agreement.** The Purchaser acknowledges and agrees, and shall ensure, that no Purchaser Parent Common Stock issued to BITMAIN hereunder shall be subject to any transfer restrictions or any market stand-off or lock-up agreement, other than transfer restrictions under the applicable securities laws.

6. **Suspension.** BITMAIN’s obligations to deliver the Products shall be suspended for any period in which the Purchaser is in breach of this Agreement, including, without limitation, the applicable installment payment due and payable by the Purchaser is not paid or the Registration Statement is not effective.

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Exhibit I

Form Subscription Agreement

This SUBSCRIPTION AGREEMENT (this “Subscription Agreement”) is entered into on [date], by and between BitFuFu Inc., a Cayman Islands exempted company (“Issuer”), and the investor listed on the Schedule of Subscriber attached hereto (the “Investor”). The Issuer and the Subscriber are each referred to herein as a “Party,” and collectively as “Parties.”

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants, and subject to the conditions, set forth herein, and intending to be legally bound hereby, each of the Investor and Issuer acknowledges and agrees as follows:

1. **Subscription.** Pursuant to the terms and subject to the conditions of this Agreement, the Investor agrees to subscribe for, and the Issuer agrees to issue to the Investor, that certain number of Shares (the “Subscribed Shares”) calculated by dividing the subscription amount (the “Subscription Amount”) of such Investor set forth opposite such Investor’s name in the Schedule of Subscriber by the subscription price per Share. The subscription price per Share shall be calculated based on the average closing price of the Issuer’s class A ordinary shares, par value US\$0.0001 per share (the “Shares”), traded on the applicable Nasdaq exchange for the thirty (30) continuous trading days immediately preceding the Closing Date (as stipulated in the Schedule of Subscriber) multiplied by 0.8.

2. **Issuance.** As promptly as reasonably practicable following the execution of this Subscription Agreement, (i) the Investor shall deliver to Issuer the Subscription Amount in the manner described in the Schedule of Subscriber attached hereto, and (ii) Issuer shall issue the Shares to the Investor and cause the Shares to be registered in the name of the Investor on Issuer’s books and records. For purposes of this Subscription Agreement, “business day” shall mean a day, other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

3. **Further Assurances.** The parties hereto shall execute and deliver such additional documents and take such additional actions as the parties reasonably may deem to be practical and necessary in order to consummate the subscription and issuance of the Shares, as applicable, as contemplated by this Subscription Agreement.

4. **Issuer Representations and Warranties.** Issuer represents and warrants to the Investor that:

(a) Issuer is a limited liability company duly formed, validly existing and in good standing under the laws of the Cayman Islands. Issuer has all limited liability company power and authority to conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) The Shares have been duly authorized and, when issued and delivered to the Investor against full payment therefor in accordance with the terms of this Subscription Agreement, the Shares will be validly issued, fully paid and non-assessable and will not have been issued in violation of or subject to any preemptive or similar rights created under Issuer’s amended and restated memorandum and articles of association (as in effect at such time of issuance) or under the Cayman Islands Companies Act (2023 Revision), as amended.

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(c) This Subscription Agreement has been duly authorized, executed and delivered by Issuer and, assuming that this Subscription Agreement constitutes the valid and binding agreement of the Investor, this Subscription Agreement is enforceable against Issuer in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, or (ii) principles of equity, whether considered at law or equity.

(d) Assuming the accuracy of the Investor’s representations and warranties set forth in Section 5 of this Subscription Agreement, no registration under the Securities Act of 1933, as amended (the “Securities Act”), is required for the offer and sale of the Shares by Issuer to the Investor.

5. **Investor Representations and Warranties.** The Investor represents and warrants to Issuer that:

(a) If the Investor is not an individual, the Investor is duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of

its incorporation or organization, except where the failure to be so duly organized, validly existing or in good standing would not reasonably be expected to result in a material adverse effect on the Investor's ability to perform its obligations hereunder.

(b) If the Investor is not an individual, the execution and performance by the Investor of this Subscription Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary action on the part of the Investor. The Investor has the power and authority to execute, deliver and perform its obligations under this Subscription Agreement and this Subscription Agreement has been duly executed and delivered by the Investor and is legal, valid, binding and enforceable upon and against the Investor (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity).

(c) The Investor is, and was at the time the Investor was offered the Shares, an accredited investor (as such term is defined in Rule 501(a) of Regulation D under the Securities Act). Any information that has been furnished or that will be furnished by the Investor to evidence its status as an accredited investor is accurate and complete, and does not contain any misrepresentation or material omission.

(d) The Investor is acquiring the Shares for its own account, for investment purposes only and not with a view to, or the resale in connection with, any distribution thereof that would not otherwise comply with the Securities Act.

(e) The Investor understands that (i) the Shares have not been registered under the Securities Act or the securities laws of any state in the United States or any other jurisdiction and that the Shares are being issued and sold by Issuer in transactions exempt from the registration requirements of the Securities Act by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Investor and of the other representations made by the Investor in this Subscription Agreement and (ii) all or any part of the Shares may not be offered or sold except pursuant to effective registration statements or pursuant to applicable exemptions from registration under the Securities Act and in compliance with applicable state laws.

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(f) The Investor acknowledges and agrees that the Shares will not be immediately eligible for offer, resale, transfer, pledge, mortgage or disposition pursuant to Rule 144 promulgated under the Securities Act. The Investor agrees:

(A) that the Investor will not sell, assign, pledge, give, transfer, or otherwise dispose of the Shares or any interest therein, or make any offer or attempt to do any of the foregoing, unless the transaction is registered under the Securities Act and complies with the requirements of all applicable state securities laws, or the transaction is exempt from the registration provisions of the Securities Act and all applicable requirements of state securities laws; (B) that the certificates representing the Shares will bear a legend making reference to the foregoing restrictions (which, for the avoidance of doubt, shall be removed as soon as practicable after the Registration Statement (as defined below) (or any other registration statement registering the Subscribed Shares) becomes effective); and (C) that the Issuer and its affiliates shall not be required to give effect to any purported transfer of such Shares, except upon compliance with the foregoing restrictions.

(g) The Investor has such knowledge, skill, sophistication and experience in business, financial and investment matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares. With the assistance of the Investor's own professional advisors, to the extent that the Investor has deemed appropriate, the Investor has made its own legal, tax, accounting, and financial evaluation of the merits and risks of an investment in the Shares and the consequences of this Subscription Agreement. The Investor has considered the suitability of the Shares as an investment in light of its own circumstances and financial condition and the Investor is able to bear the risks associated with an investment in the Shares, and it is authorized to invest in the Shares and has determined that it is a suitable investment for the Investor. The Investor understands that it must bear the economic risk of its investment in the Shares indefinitely and is able to bear such risk and is able to afford a complete loss of such investment.

(h) The Investor represents that it is not relying on (and will not at any time rely on) any communication (written or oral) of the Issuer, as investment advice or as a recommendation to purchase the Shares, it being understood that information and explanations related to the terms and conditions of the Shares and the other transaction documents shall not be considered investment advice or a recommendation to purchase the Shares. The Investor confirms that the Issuer has not (A) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Shares or (B) made any representation to the undersigned regarding the legality of an investment in the Shares under applicable legal investment or similar laws or regulations. In deciding to purchase the Shares, the undersigned is not relying on the advice or recommendations of the Issuer and the undersigned has made its own independent decision that the investment in the Shares is suitable and appropriate for the undersigned.

(i) The Investor acknowledges that it has reviewed all materials the Investor deemed necessary for the purpose of making an informed investment decision with respect to the Shares, including information regarding Issuer and its subsidiaries.

(j) The Investor understands that no federal or state agency has passed upon the merits or risks of an investment in the Shares or made any finding or determination concerning the fairness or advisability of this investment.

(k) The Investor acknowledges that neither the Issuer nor any other person offered to sell the Shares to it by means of any form of general solicitation or advertising, including but not limited to: (A) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or (B) any seminar or meeting whose attendees were invited by any general solicitation or general advertising.

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6. Grant of Registration Rights. The Issuer agrees that:

(a) Within sixty (60) calendar days after the Closing Date (the "Filing Deadline"), the Issuer shall use reasonable commercial efforts to file with the Securities and Exchange Commission a registration statement on the Form F-1 or F-3 (the "Registration Statement") registering the resale of the Shares, and the Issuer shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after the filing thereof, but no later than 120 calendar days following the Filing Deadline (the "Effectiveness Date"); provided, however, that the Issuer's obligation to include the Subscribed Shares in the Registration Statement are contingent upon the Investor furnishing in writing to the Issuer such information regarding the Investor, the securities of the Issuer held by the Investor and the intended method of disposition of the Shares as shall be reasonably requested in writing by the Company to effect the registration of the Shares, and the Investor shall execute such documents in connection with such registration as the Issuer may reasonably request that are customary of a selling stockholder in similar situations.

(b) Any failure by the Issuer to file the Registration Statement by the Filing Deadline or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve the Issuer of its obligation to file or effect such Registration Statement set forth in this Section 6.

(c) Any Subscribed Shares shall cease to have the benefits of this Section 6 when (A) a Registration Statement with respect to the sale of such Subscribed Shares shall have become effective under the Securities Act and such Subscribed Shares shall have been sold, transferred, disposed of or exchanged in accordance with such

(B) such securities shall have been otherwise transferred, new certificates for such Subscribed Shares not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the Securities Act; (C) such Subscribed Shares shall have ceased to be outstanding; (D) such Subscribed Shares may be sold without registration pursuant to Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission) (but with no volume or other restrictions or limitations); or (E) such Subscribed Shares have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

7. Termination. This Subscription Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the mutual written agreement of each of the parties hereto to terminate this Subscription Agreement; provided that nothing herein will relieve any party from liability for any willful breach hereof prior to the time of termination, and each party will be entitled to any remedies at law or in equity to recover losses, liabilities or damages arising from any such willful breach.

8. Miscellaneous.

(a) Neither this Subscription Agreement nor any rights that may accrue to the Investor hereunder (other than the Shares acquired hereunder, if any) may be transferred or assigned; provided that the Investor may assign its rights and obligations under this Subscription Agreement to one or more of its affiliates (including other investment funds or accounts managed or advised by the investment manager who acts on behalf of the Investor or an affiliate thereof); provided, further, that no such assignment shall relieve the Investor of its obligations hereunder.

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(b) Issuer may request from the Investor such additional information as Issuer may deem necessary to evaluate the eligibility of the Investor to acquire the Shares, and the Investor shall provide such information as may reasonably be requested. The Investor acknowledges that Issuer may file a copy of this Subscription Agreement with the SEC as an exhibit to a current or periodic report or a registration statement of Issuer.

(c) The Investor acknowledges that Issuer will rely on the acknowledgments, understandings, agreements, representations and warranties of the Investor contained in this Subscription Agreement.

(d) Each of Issuer and the Investor are entitled to rely upon this Subscription Agreement and each is irrevocably authorized to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

(e) All of the representations and warranties contained in this Subscription Agreement shall survive the consummation of the transactions contemplated by this Subscription Agreement. All of the covenants and agreements made by each party hereto in this Subscription Agreement shall survive the consummation of the transactions contemplated by this Subscription Agreement until the applicable statute of limitations or in accordance with their respective terms, if a shorter period.

(f) This Subscription Agreement may not be modified, waived or terminated (other than pursuant to the terms of Section 7 above) except by an instrument in writing, signed by each of the parties hereto. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties and third party beneficiaries hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have hereunder.

(g) This Subscription Agreement (including the schedule hereto) constitutes the entire understanding and agreement between the Parties with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby are merged and superseded by this Subscription Agreement. This Subscription Agreement shall not confer any rights or remedies upon any person other than the parties hereto, and their respective successor and assigns.

(h) Except as otherwise provided herein, this Subscription Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns.

(i) If any provision of this Subscription Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Subscription Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect.

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(j) This Subscription Agreement may be executed in one or more counterparts (including by electronic mail or in .pdf) and by different parties in separate counterparts, with the same effect as if all parties hereto had signed the same document. All counterparts so executed and delivered shall be construed together and shall constitute one and the same agreement.

(k) The Parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Subscription Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Subscription Agreement, without posting a bond or undertaking and without proof of damages, to enforce specifically the terms and provisions of this Subscription Agreement, this being in addition to any other remedy to which such party is entitled at law, in equity, in contract, in tort or otherwise.

(l) THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK (OR, TO THE EXTENT SUCH COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW YORK) SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS SUBSCRIPTION AGREEMENT AND THE DOCUMENTS REFERRED TO IN THIS SUBSCRIPTION AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT HEREOF OR ANY SUCH DOCUMENT THAT IS NOT SUBJECT THERETO OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS SUBSCRIPTION AGREEMENT OR ANY SUCH DOCUMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED BY SUCH A NEW YORK STATE OR FEDERAL COURT. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN THE MANNER PROVIDED IN THIS SECTION 8(l) OF THIS SUBSCRIPTION AGREEMENT OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF. THIS SUBSCRIPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE

(m) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY; AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS SUBSCRIPTION AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 8(m).

9. Non-Reliance and Exculpation. The Investor acknowledges that it is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, firm or corporation, other than the statements, representations and warranties of Issuer expressly contained in Section 4 of this Subscription Agreement, in making its investment or decision to invest in Issuer.

10. Notices. All notices and other communications among the parties shall be in writing and shall be deemed to have been duly given (i) if delivered by hand, when delivered in person, (ii) if sent by registered post or courier, on the date of acknowledgement of receipt of the communication by the addressee, (iii) if sent by email, upon the generation of a receipt notice by the recipient’s server or, if such notice is not so generated, upon delivery to the recipient’s server. Notices shall be addressed to the respective Parties at the following addresses:

If to the Investor, to:

Address: []
Attn: []
Email: []

If to Issuer, to:

Address: []
Attn: []
Email: []

or to such other address or addresses as the parties may from time to time designate in writing.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first written above.

For and on behalf of

BitFuFu Inc.

By: _____
Name:
Title:

For and on behalf of

[Investor]

By: _____
Name:
Title:

SCHEDULE OF SUBSCRIBER

Name of Investor	
Subscription Amount	
Manner of delivery of Subscription Amount	
Number of Subscribed Shares	
Closing Date	

APPENDIX B

to Framework Agreement (BM Ref: [***) dated [-], 2024

Sample Order

ORDER No. [-] dated [-], 2024 (hereinafter referred to as the “Order”)

to Framework Sales and Purchase Agreement (BM Ref: [***) dated [-] 2024 (the “Agreement”) between **BITMAIN TECHNOLOGIES DELAWARE LIMITED**, a corporation incorporated under the laws of the State of Delaware of the United States of America (File No. 6096946), having its registered office at 840 New Burton Street, Suite 201, Dover, Kent, DE 19904 (“**BITMAIN**”) and **Ethereal Tech US Corporation**, a corporation incorporated under the laws of the State of the United States of America (File No. 6472467), having its registered office at 1013 Centre Road, Suite 403S, Wilmington, Delaware, County of New Castle, the United States of America (“**Purchaser**”).

Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the Service Framework Agreement.

1. The specifications of the Products are as follows:

Type	Details
Product Name	HASH Super Computing Server
Model	[-]
Rated Hashrate per Unit, T	[-]
Rated power per Unit, W	[-]
J/T	[-]
Contracted Hashrate, T	[-]
Purchase Unit Price, US\$/T	[-]
Quantity of the Products	[-]
Total Purchase Price (tax exclusive), US\$	[-]
Description	<div>1. BITMAIN procures with commercially reasonable efforts that the error range of the J/T indicator does not exceed 10%.</div> <div>2. The Rated Hashrate per Unit and rated power per unit are for reference only and such indicator of each unit of Products may differ. BITMAIN makes no representation on the Rated Hashrate per Unit and/or the rated power per unit of any Products.</div> <div>3. Purchaser shall not reject the Products on the grounds that the parameters of the delivered Products are not in consistence with the reference indicators.</div>

2. The delivery of the Products under this Order:

2.1 The Purchaser shall choose the following Shipping Method:

- ☐ Shipping by BITMAIN via FedEx/DHL/UPS/other logistics company ;
- ☐ Self-pick

2.2 It is estimated that each batch of Products shall be purchased and delivered in accordance with the following arrangements:

Batch	Model	Shipping Period	Reference Quantity	Total Rated Hashrate (T)	Purchase Unit Price (US\$/T)	Corresponding Total Purchase Price (US\$)
1	[-]	[-]	[-]	[-]	[-]	[-]
2	[-]	[-]	[-]	[-]	[-]	[-]
In Total						

2.3 **Delivery conditions:** FCA (BITMAIN’s factory or warehouse) according to Incoterms 2020 to the place of delivery designated by the Purchaser.

- 2.4 Both Parties confirm and agree that BITMAIN shall be entitled to adjust the total quantity of each batch of Products based on the total hashrate; provided that, the total hashrate of the Products actually delivered by BITMAIN to the Purchaser shall not be less than the Contracted Hashrate as agreed in paragraph 1 of this Order. BITMAIN makes no representation that the quantity of the actually delivered Products shall be the same as the Quantity of the Products set forth in paragraph 1.1 of this Appendix B.
- 2.5 In the event that BITMAIN publishes any new type of products with less J/T value and suspends the production of the type of the Products as agreed in this Agreement, BITMAIN shall be entitled to release itself from any future obligation to deliver any subsequent Products by 10-day prior notice to the Purchaser and continue to deliver new types of products to the Purchaser, the total hashrate of which shall be no less than such subsequent Products replaced under this Agreement and the price of which shall be determined in accordance with the J/T value. In the event that the Purchaser explicitly refuses to accept new types of products, the Purchaser is entitled to request, after two (2) years from the date of such refusal, for a refund of the remaining balance of the Total Purchase Price already paid by the Purchaser with no interest. If the Purchaser accepts the new types of Products delivered by BITMAIN, BITMAIN shall be obliged to deliver such new types of products to fulfill its obligations under this Agreement. The Purchaser may request to lower the total hashrate of the products delivered but shall not request to increase the total hashrate to the level exceeding the Contracted Hashrate.

After BITMAIN publishes new types of products and if BITMAIN has not suspended the production of the types of Products under this Agreement, BITMAIN shall continue to deliver such agreed types of Products in accordance with this Agreement and the Purchaser shall not terminate this Agreement or refuse to accept the Products on the grounds that BITMAIN has published new type(s) of products.

3. Payment of the Total Purchase Price

3.1 BITMAIN's BANK ACCOUNT info:

[***]

3.2 The payment shall be arranged by the Purchaser as follows:

- (1) Down Payment: [***]% of the Total Purchase Price of all batches of Products under this Order shall be paid in cash within seven (7) days after the execution of this Order.
- (2) First Interim Payment: [***]% of the Total Purchase Price of all batches of Products under this Order shall be paid in cash (a) at least three (3) months prior to the first day of the Shipping Period of such batch of Products, or (b) within seven (7) days after the execution of this Order, if this Order is executed within three (3) months prior to the first day of the Shipping Period of such batch of Products.
- (3) Second Interim Payment: [***]% of the Total Purchase Price of all batches of Products under this Order shall be paid (a) at least one (1) month prior to the first day of the Shipping Period of such batch of Products, or (b) within seven (7) days after the execution of this Order, if this Order is executed within one (1) month prior to the first day of the Shipping Period of such batch of Products. The Purchaser may make the Second Interim Payment using either cash or Purchaser Parent Common Stocks (as defined in Appendix A to the Agreement) in whole or in part. The specific arrangements for payments with stock shall be as outlined in Appendix A to the Agreement.

- (4) Balance Payment: [***]% of the Total Purchase Price of each batch of Products under this Order shall be paid in cash within 365th day after the first day of the Shipping Period of such batch of Products.
- 3.3 Without prejudice to any provisions hereof, the Purchase Unit Price and the Total Purchase Price of the Products and any amount paid or payable by the Purchaser shall be denominated and paid in US Dollars (US\$). Where the Parties agree that such payments shall be made in Digital Currency instead of US Dollars, the exchange rate between the US Dollars and the Digital Currency selected shall be determined by BITMAIN in its sole and absolute discretion. In the event that the Parties agree for the Purchaser to make payment under this Agreement in Digital Currency, Purchaser shall pay such amount of Digital Currency which, if converted into US\$ using the spot rate at the time of such payment (the “Return Spot Rate”), would be no less than the amount that BITMAIN would receive in US\$. The Return Spot Rate of any such Digital Currency shall be mutually agreed by the Parties in writing. Notwithstanding the above, BITMAIN shall have, at any time, the sole and absolute discretion to determine whether to accept a certain form of Fiat Currency, Digital Currency or other property instead of US Dollars for payment for any amount payable by the Purchaser under this Agreement. Unless otherwise agreed by BITMAIN, in the event that the Parties agree for the Purchaser to make payment in Digital Currency, the designated Digital Currency shall be the USDT. In any circumstance, the Purchaser shall not ask for any refund due to the change of exchange rate.

4. Term and Termination of Order

- 4.1 This Order shall be effective upon execution by both Parties of this Order and shall remain effective up to and until the delivery of the last batch of Products hereunder.
- 4.2 The Parties agree that, unless this Agreement specifies otherwise, no Party shall terminate this Order in advance.

5. Prevailing Provision

- 5.1 In the event of any discrepancy between the provision of this Order and the Framework Sales and Purchase Agreement, the provision in this Order shall prevail.

Signed for and on behalf of BITMAIN

BITMAIN TECHNOLOGIES DELAWARE LIMITED

Signature _____
Title _____

Signed for and on behalf of the Purchaser

Ethereal Tech US Corporation

Signature _____
Title _____

MASTER LOAN AGREEMENT

This Master Loan Agreement (this “**Master Agreement**”) is made on November 4, 2024 by and between:

1. **Antpool Technologies (BVI) Limited**, a limited company organized under the laws of British Virgin Islands, whose registered office is located at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands (“**Lender**”); and
2. **Finfront Holding Company**, a company organized under the laws of Cayman Islands, whose registered office is located at Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands (the “**Borrower**”).

Each of the forgoing parties is referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, subject to the terms and conditions of this Master Agreement and the applicable Loan Confirmation, Borrower may, from time to time, initiate a transaction pursuant to which Lender will agree to lend the Loaned Assets to Borrower, and the Borrower will pay a Loan Fee and return such Loaned Assets to Lender upon the termination of the Loan.

Now, therefore, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which hereby acknowledged, the Borrower and the Lender hereby agree as follows:

1. Definitions

“**Additional Collateral**” has the meaning set forth in Section 4.3.

“**Affiliate**” means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified

“**Agreement**” has the meaning set forth in Section 17.

“**Airdrop**” means a distribution of a new token or tokens resulting from the ownership of a preexisting token.

“**AML/CTF Requirements**” mean any applicable laws made by a government or relevant authority or judicial body pertaining to money laundering, terrorism financing, bribery, corruption, tax evasion, fraud, the trafficking of arms, drugs, humans or wildlife, slavery, proliferation of weapons of mass destruction, or sanctions imposed by the United Nations Security Council, the United States of America, the United Kingdom of Great Britain and Northern Ireland, the European Union or its member states, Singapore, Hong Kong or any other jurisdictions selected for inclusion hereunder by Lender from time to time.

“**Authorized Agent**” has the meaning set forth in Exhibit A.

“**Borrower**” means the Party specified as such in the applicable Loan Confirmation.

“**Business Day**” means a day on which banks are generally open for business in Hong Kong and excluding any Saturday or Sunday.

“**Business Hours**” means between the hours of 10:00 to 18:00 (GMT+8) on a Business Day.

“**Close of Business**” means 18:00 (GMT+8).

“**Collateral**” has the meaning set forth in Section 4.1.

“**Current Level**” means, with respect to a Loan as of a time and day, an amount, expressed as a percentage, equal to: (i) Market Value of Loaned Assets as of such time, divided by (ii) Market Value of the total Collateral transferred to and held by Lender as of such time (as adjusted from time to time by the amount of Additional Collateral delivered by Borrower and amount of Collateral returned by Lender).

“**Digital Currency**” means USDT or USDC as agreed between the Parties and as specified in the applicable Loan Confirmation. For the avoidance of doubt, with respect to Loaned Assets and Loan Balance, the day one lending value of one unit of any USDT or USDC loaned out shall be deemed to be equal to the same amount in the form of USD, at a ratio of 1:1. In the event that Borrower wishes to repay the Loan Balance to Lender in Digital Currency, Borrower shall repay such amount of Digital Currency which, if converted into USD using the spot rate at the time of such repayment (the “**Return Spot Rate**”), would be no less than the amount Lender would receive in USD. The Return Spot Rate of any such Digital Currency shall be mutually agreed by the Parties in writing. Notwithstanding the above, the Lender shall have, at any time, the sole and absolute discretion to determine whether to accept a certain form of Digital Currency for repayment for any or all of the Loan Balance. “**Digital Currency Address**” means an identifier of alphanumeric characters that represents a digital identity or destination for a transfer of Digital Currency.

“**Exercise of the Prepayment Option**” has the meaning set forth in Section 2.3.2

“**Fixed Term Loan**” means a Loan with a pre-determined Maturity Date, where Borrower does not have a Prepayment Option.

“**Hard Fork**” means a permanent divergence in the blockchain (e.g., when non-upgraded nodes cannot validate blocks created by upgraded nodes that follow newer consensus rules, or an Airdrop or any other event which results in the creation of a new token).

“**Initial Margin Level**” means, with respect to a Loan and as of the Loan Effective Date, the percentage specified as such in the relevant Loan Confirmation, if applicable.

“**Lender**” means the Party specified as such in the applicable Loan Confirmation.

“**Liquidation Level**”, with respect to a Loan, has the meaning given to it in the relevant Loan Confirmation, if applicable.

“**Loan**” means a loan made pursuant to and in accordance with this Master Agreement and the applicable Loan Confirmation.

“**Loan Balance**” means the sum of all outstanding amounts of Loaned Assets, including Loan Fees, Late Fees, and any Early Termination Fee.

“**Loan Documents**” means this Master Agreement, all Loan Confirmations entered into between the Parties and any other document designed as a Loan Document by the Parties.

“**Loan Effective Date**” means the date specified as such in the Loan Confirmation.

“**Loan Fee**” means the fee payable by Borrower to Lender for a Loan.

“**Loan Confirmation**” means the agreement between Lender and Borrower on the particular terms of a Loan, which shall be substantially in the form set forth in Exhibit B, or any other form approved by Lender.

“**Loaned Assets**” means any amount of Digital Currency agreed between the Parties from time to time transferred in a Loan until such Digital Currency (or identical Digital Currency) amount is transferred back to Lender. For the purposes of the return of Loaned Assets by Borrower or purchase or sale of Digital Currencies pursuant to Section 9, such term shall include Digital Currency of the same quantity and type as the Loaned Assets, as adjusted pursuant to the preceding sentence.

“**Loan Instruments**” means the aggregation of, as the case may be, (a) all the deeds of loan entered into by and among the Lender, the Borrower and certain other parties thereto from time to time, pursuant to which the Lender agrees to provide a loan to the Borrower to finance the Borrower’s ordinary business operation or capital expenditures, which include but not limited to purchase of, among others, certain units of cryptocurrency mining hardware and/or mining facilities, and/or to provide a loan to the Borrower to pay for the hosting fees and operation and maintenance fees associated with the operations of the cryptocurrency mining hardware of the Borrower; and (b) any other loan agreements entered into by and among the Lender, the Borrower and certain other parties thereto from time to time. The Loan Instruments shall include, without limitation, this Agreement. Each of the Loan Instruments shall be referred to herein as a “Loan Instrument”.

“**Margin Call Level**”, with respect to a Loan, has the meaning given to it in the relevant Loan Confirmation, if applicable.

“**Market Value**” means, with respect to Digital Currency, its value as determined in accordance with the relevant Loan Confirmation.

“**Maturity Date**” means the pre-determined future date upon which a Loan becomes due in full.

“**Open Loan**” means a Loan without a Maturity Date where Borrower has the option to repay or return the Loaned Assets at any time by notice.

“**Prepayment Option**” means, in the case of a Term Loan with Prepayment Option, the Borrower has the option to repay or return the Loaned Assets prior to the Maturity Date, subject to this Master Agreement or shall have the meaning as stated in section 2.3.2 in relation to the Open Term Loan.

“**Term Loan with Prepayment Option**” means a Loan with a Maturity Date where Borrower has a Prepayment Option.

“**Termination Date**” means the date upon which a Loan is terminated and as set forth in section 2.4.

“**Written Notice**” is defined as set forth in Section 15.

2. General Loan Terms.

2.1 Loans of Digital Currency

Subject to all of the terms and conditions of this Master Agreement, the Lender agrees to lend, and/or procure the affiliates of the Lender to lend, to the Borrower and/or the affiliates of the Borrower, funds in an aggregate amount not exceeding 100,000,000 US dollars, which may be drawn in the form of Digital Currency in one or multiple tranches within 48 months starting from the effective date of this Master Agreement. The specific amount of Digital Currency to be drawn in each tranche shall be separately agreed between the Parties.

For the purpose of this Master Agreement, any reference to “Lender” shall include affiliates of the Lender as applicable, and any reference to “Borrower” shall include affiliates of the Borrower as applicable.

2.2 Loan Procedure

Provided that all the conditions (if any) precedent set out in the Master Agreement have been fulfilled, an Authorized Agent of Borrower may, from time to time during the Business Hours on a Business Day (the “**Request Day**”), by Written Notice directed to Lender (or such other address or medium as Lender may specify in writing), request from Lender a Loan of a specific amount of Digital Currency agreed between the Parties (a “**Lending Request**”).

As part of its Lending Request, Borrower shall provide the following proposed terms:

2.2.1 the type of Digital Currency;

2.2.2 the amount of Digital Currency;

2.2.3 whether the Loan is to be a Fixed Term Loan, a Term Loan with Prepayment Option, an Open Loan or such other type of Loan agreed between the Parties;

2.2.4 the proposed Loan Effective Date, which shall be at least 5 working days following the Request Day; and

2.2.5 the Maturity Date (if applicable).

If Lender agrees to make a Loan of Digital Currency, Lender shall commence transmission to the Borrower's Digital Currency Address the amount of Digital Currency as such Digital Currency Address is set forth in the Lending Request after receiving the agreed upon Collateral.

The specific and final terms of a Loan shall be memorialized using the Loan Confirmation. In the event of any inconsistency among this Master Agreement, or the applicable Loan Confirmation, the following will prevail for purposes of the applicable Loan in the order of precedence indicated: (i) the Loan Confirmation; and (ii) this Master Agreement.

2.3 Loan Repayment Procedure

2.3.1 Loan Repayment

Unless otherwise specified in subsection 2.3.2 below or the applicable Loan Confirmation, upon the Termination Date, Borrower shall repay, the entirety of the Loan Balance to Lender by Close of Business of the Termination Date. The Lender shall have, at any time, the sole and absolute discretion to determine whether to accept a certain form of Digital Currency as repayment of any or all of the Loan Balance.

2.3.2 Prepayment Option

For Loans in which Borrower has a Prepayment Option (e.g. Open Loans, Term Loans with Prepayment Option, etc.):

- (i) Borrower may give Lender an irrevocable Written Notice to notify Lender during Business Hours of Borrower's intent to return or repay the Loan prior to maturity without being subject to Early Termination Fees as set forth in Section [3.4] (the "**Exercise of the Prepayment Option**"), provided that in the case of Open Loans, such Exercise of the Prepayment Option could only be made by the Borrower after the expiration of 30 days from the Loan Effective Date, unless otherwise agreed by the Lender. Borrower shall provide said Written Notice at least 5 calendar days prior to the date on which the Borrower will repay all or a portion of the Loan Balance (said later date, the "**Redelivery Day**"). Borrower's Exercise of the Prepayment Option shall not relieve it of any of its obligations herein, including without limitation its payment of owed Loan Fees and Late Fees.

In the event of a Prepayment Option where the Borrower repays only a portion of the Loan Balance, Borrower shall repay said portion of the Loan Balance on the Redelivery Day and the remaining portion of the Loan Balance on the earlier of the Maturity Date and if applicable, the subsequent Redelivery Day.

For Open Loans, the Lender can terminate the Loan at any time in its sole discretion without being subject to any fees or liabilities. The Lender shall give the Borrower a Written Notice to notify the Borrower its intent to terminate the Loan and the Borrower shall repay the full amount of the Loan Balance within two Business Days after receiving such notice. If the Borrower fails to repay the full amount of the Loan Balance within such timeline, the Lender shall have the right to immediately transfer any and all of Borrower's Collateral from the collateral account to Lender's operating account necessary for the payment of any nonpayment, liability, obligation, or indebtedness owed by the Borrower to the Lender.

2.4 Termination of Loan

A Loan will terminate on the date upon the earlier of (the "**Termination Date**"):

- 2.4.1 the Maturity Date;
- 2.4.2 the repayment of the Loan Balance by Borrower prior to the Maturity Date in the case of a Fixed Term Loan;
- 2.4.3 the last Redelivery Day or otherwise as specified according to subsection 2.3.2(ii), in the case of an Open Loan or Term Loans with Prepayment Option;
- 2.4.4 the occurrence of an Event of Default as defined in Section 8; however, Lender shall have the right in its sole and absolute discretion to suspend the termination of a Loan under this Section 2.4.4 and reinstitute the Loan. In the event of reinstitution of the Loan pursuant to the preceding sentence, Lender does not waive its right to terminate the Loan hereunder; or
- 2.4.5 in the event any or all of the Loaned Assets become, in Lender's sole and absolute discretion, at risk of being: (1) considered a security, swap, derivative, or other similarly-regulated financial instrument or asset by any regulatory authority, whether governmental, industrial, or otherwise, or by any court of law or dispute resolution organization, arbitrator, or mediator; or (2) subject to future regulation materially affecting this Master Agreement, any Loan, or Lender's business.

Nothing in the forgoing shall cause, limit, or otherwise affect the termination of this Master Agreement.

3. Loan Fees and Other Fees.

3.1 Loan Fee

Unless otherwise agreed in the applicable Loan Confirmation, Borrower agrees to pay Lender a financing fee on each Loan (the "**Loan Fee**") for the term of the Loan at the annual interest rate of 6.5%. When a Loan Confirmation is executed, the Borrower will pay the Loan Fee as agreed in the applicable Loan Confirmation. Except as the Parties may otherwise agree, Loan Fees shall accrue (i) from (and including) the date on which the Loaned Assets are transferred to Borrower, where the Loaned Assets are transferred before 12:00 noon (GMT+8) of such date, or (ii) from (and including) the calendar day following the date on which the Loaned Assets are transferred to Borrower, where the Loaned Assets are transferred at or after 12:00 noon (GMT+8) of such date to the date on which such Loaned Assets are repaid in their entirety to Lender. The determination on the time of transfer of the Loaned Assets to Borrower shall follow the time displayed by the TXID with regards to the last transfer of the remaining Loaned Assets to the Borrower.

For any Loan, the minimum Loan Fee shall be the Loan Fee that would accrue for one month.

Lender shall calculate any Loan Fees owed on a daily basis for the actual number of days elapsed and provide Borrower with the calculation upon request. The Loan Fee will be calculated based on all outstanding portions of the Loaned Assets. The Loan Fee is payable monthly by Borrower in arrears and to be paid in a Digital Currency in accordance with the applicable Loan Confirmation.

3.2 Late Fee

For each calendar day after the earlier of the Maturity Date and the Redelivery Day in respect of which Borrower has not returned the entirety of the Loan Assets or failed to timely pay any outstanding Loan Fee in accordance with Section 3.1, Borrower shall incur an additional fee (the “**Late Fee**”) of 10% or other amount as agreed in the Loan Confirmation by the Parties (annualized, calculated daily) on all outstanding portions of the Loan Assets and Loan Fees. If a Late Fee is imposed under this Section 3.3 due to an event that would constitute an Event of Default under Section 8, the imposition of a Late Fee by the Lender does not constitute a waiver of its right to declare an Event of Default for the same event.

3.3 Payment of Loan Fee and Late Fee

Unless otherwise agreed in the Loan Confirmation, any Loan Fee or Late Fee payable hereunder shall be paid by Borrower upon the earlier of (i) five (5) Business Days after receipt of an invoice from Lender or (ii) the termination of the relevant Loan hereunder (the “**Payment Due Date**”). An invoice for Loan Fees and any Late Fees (the “**Invoice Amount**”) shall be sent out on the first Business Day of the month and shall include any Loan Fees, Late Fees, and Early Termination Fees incurred during the previous month. Failure of Lender to timely send an invoice in accordance with the preceding sentence shall not be considered a material default under Section 8.4 nor shall it relieve Borrower of its obligation to pay any Loan Fees, Late Fees, and Early Termination Fees owed herein nor negate any Event of Default resulting from Borrower’s failure to timely pay such fees. The Loan Fee, Late Fees, and Early Termination Fees shall be payable, unless otherwise agreed by the Parties in the Loan Confirmation, in the Digital Currency on the same blockchain and of the same type that was loaned by the Lender under the Loan.

Notwithstanding the foregoing, in all cases, all Loan Fees, Late Fees, and Early Termination Fees shall be payable by Borrower immediately upon the occurrence of an Event of Default hereunder by Borrower.

3.4 Early Termination Fees

For Fixed Term Loans, if Borrower returns any or all of the Loan Assets prior to the Maturity Date, Borrower shall pay to Lender the Early Termination Fee (an amount as agreed in the Loan Confirmation by the Parties). The Early Termination Fee is due with the early repayment of such any or all Loan Assets prior to the Maturity Date.

3.5 Taxes and Fees

All transfer or other taxes or third party fees payable with respect to the transfer, repayment, and/or return of any Loan Assets or Collateral hereunder shall be paid by Borrower.

4. Collateral Requirements

4.1 Collateral

Unless otherwise agreed by the Parties, or modified in the Loan Confirmation, Borrower shall provide as collateral an amount of Bitcoin (or “BTC”) (“**Collateral**”) and memorialized in the Loan Confirmation. Borrower shall, prior to the transfer of the Loan Assets by Lender to Borrower, transfer the Collateral to Lender. For the avoidance of doubt, Lender is under no obligation to transfer the Loan Assets to the Borrower until the Lender receives the Collateral transferred by the Borrower.

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Collateral shall always be valued in USDT, but Borrower may, if mutually agreed by both Parties, provide the Collateral (in whole or in part) to Lender in an agreed Digital Currency and/or agreed type of property in an amount equal to the value of the Collateral in USDT at the applicable market rate determined by Lender. For the avoidance of doubt, upon the repayment of the Loan Assets at the termination of a Loan, Lender shall return to Borrower the same amount and type of Collateral (including Additional Collateral) that was deposited, net of any Margin Call or Liquidation adjustments (as defined below in Section 4.3) in 3 Business Days after the termination date of a Loan.

During the term of the Loan, Borrower agrees and affirms that Lender is entitled to use of the Collateral, including, but not limited to, for the purposes of lending, investing, transferring to bank and other accounts upon which Lender, or a third party, is the account holder or the beneficiary, or pledging as collateral in other transactions. Such entitlement and use shall not relieve Borrower or Lender of any of its obligations hereunder.

4.2 Transfer of Title

Each Party agrees that all rights, title, and interest in and to any cash or Digital Currencies which it transfers to the other Party hereunder shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person.

Notwithstanding any other provision of the Agreement to the contrary, Borrower agrees that Lender may take a sufficient time to consider, verify, or otherwise block a transfer of Digital Currencies to ensure compliance with applicable laws, including any AML/CTF Requirements.

Nothing in the Agreement is intended to create or does create in favour of either Party any mortgage, charge, lien, pledge, encumbrance or other security interest in any cash or Digital Currency transferred by one Party to the other Party hereunder.

4.3 Margin Calls

If the Current Level of a Loan is at or above the Margin Call Level, Lender may notify Borrower to transfer additional Collateral (“**Additional Collateral**”) to restore the Current Level (after taking into account the Additional Collateral transferred) to at least equal to or lower than the Initial Margin Level through email and telephone (“**Additional Collateral Notification**”). Borrower shall keep its mobile phone available to receive the Additional Collateral Notification.

4.4 Return of Collateral

If the Current Level of a Loan is at or below the Initial Margin Level, Borrower may, at its sole and absolute discretion, request Lender to, and Lender shall pursuant to Borrower’s request, return a portion of the Collateral provided that after such return, the Current Level of the Loan shall not be higher than the Initial Margin Level.

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Upon Borrower’s repayment of all moneys, debts and present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) due from Borrower to Lender under the Loan Instruments and acceptance by Lender of the Loan Assets into Lender’s Digital Currency Address, with such delivery being confirmed on the relevant Digital Currency blockchain ten times, Lender shall initiate the return of Collateral within five (5) Business Days to a Digital Currency Address of Borrower.

Without prejudice to the foregoing, upon the full repayment of all moneys, debts and present and future obligations and liabilities (whether actual or contingent and whether owed

jointly or severally or in any other capacity whatsoever) due from Borrower to Lender under all the loan instruments of the same type, Lender shall return (net of any applicable fees, charges, or other penalties) to Borrower the remaining total of the Collateral balance under that type of loans.

5. Liquidation Level

5.1 Liquidation Event

If the Current Level of a Loan is at or above the Liquidation Level (“**Liquidation Event**”), Lender shall notify Borrower to transfer Additional Collateral to restore the Current Level (after taking into account the Additional Collateral transferred) to at least equal to or lower than the Initial Margin Level through **Additional Collateral Notification**. Borrower shall keep its mobile phone available to receive the Additional Collateral Notification.

Borrower shall have twenty-four (24) hours from the time Lender sends such Additional Collateral Notification to (x) respond and deliver Additional Collateral to Lender, or (y) repay the Loan to restore the Current Level.

If Borrower fails to deliver Additional Collateral or repay the Loan in accordance with the paragraph above, Lender shall, without the need to provide any prior notification, be entitled to immediately liquidate or sell the Collateral and use the liquidation proceeds to purchase the Loaned Assets to repay the Loan. If the liquidation proceeds exceed the Loan Balance, Lender shall return such excess to Borrower within five (5) Business Days after repayment of the Loan.

For the avoidance of doubt, failure to transfer Additional Collateral following a Liquidation Event will not constitute an Event of Default with respect to Borrower under Sections 8.3 and/or 8.5 of this Master Agreement.

6. Hard Fork

6.1 Rights of Borrower and Lender

In the event of a Hard Fork in the blockchain for any Loaned Assets or an Airdrop associated with the Loaned Assets, Lender will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Airdrop.

In the event of a Hard Fork in the blockchain for any Collateral or an Airdrop associated with the Collateral, Borrower will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Airdrop.

7. Representations and Warranties.

The Parties to this Master Agreement hereby make the following representations and warranties to each other, which shall continue during the term of this Master Agreement and any Loan hereunder:

- 7.1 (i) it has the power to execute and deliver this Master Agreement, to enter into the Loans contemplated hereby and to perform its obligations hereunder, (ii) it has taken all necessary action to authorize such execution, delivery and performance, and (iii) this Master Agreement constitutes a legal, valid, and binding obligation enforceable against it in accordance with its terms;
- 7.2 it has not relied on the other for any tax or accounting advice concerning this Master Agreement and that it has made its own determination as to the tax and accounting treatment of any Loan, any Loaned Assets, Collateral, or funds received or provided hereunder;
- 7.3 it is acting for its own account;
- 7.4 it is a sophisticated party and fully familiar with the inherent risks involved in the transaction contemplated in the Master Agreement, including, without limitation, risk of new financial regulatory requirements, potential loss of money and risks due to volatility of the price of the Loaned Assets, and voluntarily takes full responsibility for any risk to that effect;
- 7.5 it is not insolvent and is not subject to any bankruptcy or insolvency proceedings under any applicable laws;
- 7.6 there are no proceedings pending or, to its knowledge, threatened, which could reasonably be anticipated to have any adverse effect on the transactions contemplated by this Master Agreement or the accuracy of the representations and warranties hereunder or thereunder;
- 7.7 to its knowledge the transactions contemplated in this Master Agreement are not prohibited by law, regulation or other authority in the jurisdiction of its place of incorporation, place of principal office, or residence and that it has necessary licenses and registrations to operate in the manner contemplated in this Master Agreement;
- 7.8 in respect of the Lender only, it has, or will have at the time of the loan of any Digital Currency, the right to lend such Loaned Assets subject to the terms and conditions hereof; and
- 7.9 in respect of the Borrower only, it has, or will have at the time of delivery of any Collateral or return of any Loaned Assets, the right to deliver such Collateral or Loaned Assets subject to the terms and conditions hereof, and, free and clear of all liens and encumbrances other than those arising under this Agreement.

8. Default

Each of the events or circumstances set out in this Section 8 shall constitute an event of default (each, an “**Event of Default**”):

- 8.1 the failure of the Borrower to return any and all Loaned Assets upon termination of any Loan;
- 8.2 the failure of the Borrower to pay any and all Loan Fees, Late Fees, or Early Termination Fees when due hereunder or any outstanding amount under any other Loan Instrument on the Maturity Date (as defined in the relevant Loan Instrument); however, Borrower shall have ten (10) days to cure such default;
- 8.3 the failure of the Borrower to transfer Collateral or Additional Collateral;

- 8.4 a material default by the Borrower in the performance of any of the other agreements, conditions, covenants, provisions or stipulations contained in this Master Agreement, including without limitation a failure by Borrower to abide by its obligations in Section 6 and Borrower's failure to cure said material default within ten (10) days;
- 8.5 Borrower's default or failure to perform any obligation under any other agreement with Lender or any of its affiliates;
- 8.6 any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors or dissolution proceedings that are instituted by or against the Borrower and are not dismissed within thirty (30) days of the initiation of said proceedings;
- 8.7 any event or circumstance occurs or exists that is a material adverse effect on the business, operations, prospects, property, assets, liabilities or financial condition of, the Borrower, taken as a whole, or a material adverse effect on the ability of Borrower to perform its obligations under the Loan Documents or other Loan Instrument;
- 8.8 any representation or warranty made by the Borrower in any of the Loan Documents or other Loan Instrument that proves to be incorrect or untrue in any material respect;
- 8.9 the Borrower notifies the Lender of its inability to or its intention not to perform its obligations hereunder or under other Loan Instrument, or otherwise disaffirms, rejects, or repudiates any of its obligations hereunder or under other Loan Instrument; or
- 8.10 performance by the Borrower of any obligation hereunder breaches, or is likely to breach, any applicable laws (including any AML/CTF Requirements) or is otherwise contrary to any policy Lender may apply as a result of an order or sanction issued by any government agency.

9. Remedies

- 9.1 Upon the occurrence and during the continuation of any Event of Default by Borrower, the Lender may, at its option, by delivering a Written Notice (the "**Default Notice**") to the Borrower, immediately: (1) declare the entire Loan Balance outstanding for any Loan hereunder immediately due and payable; (2) terminate this Master Agreement and any Loan with immediate effect unless the termination is suspended by the Lender according to Clause 2.4.3; (3) immediately transfer any Collateral to satisfy Borrower's liability, obligation, or indebtedness hereunder, followed by any and all moneys, debts, obligations and liabilities due from Borrower to Lender from time to time under other Loan Instruments, including but not limited to using the Collateral to purchase the relevant Digital Currency to replenish Lender's supply of the relevant Digital Currency or selling any Collateral in a relevant market for such Digital Currency; (4) purchase on Lender's own account a like amount of Loaned Assets in a relevant market for such Digital Currency and then collect from Borrower the expenses incurred by Lender for such purchase; (5) exercise its rights under Section 12 herein; and (6) exercise all other rights and remedies available to the Lender hereunder, under applicable law or in equity; provided, that upon any Default Notice pursuant to Section 8 as to a particular Loan, the entire Loan Balance then outstanding hereunder shall automatically become and be immediately due and payable.
- 9.2 Without prejudice to Lender's remedies under Section 9.1, upon the occurrence of any Event of Default under Sections 8.6 or 8.7, this Master Agreement and any and all Loans made pursuant to this Master Agreement shall be terminated immediately and become due and payable, and Lender shall have immediate right to the Collateral to the fullest extent permitted herein and by law.
- 9.3 In the event that the Loan Balance or the purchase price of any replacement Digital Currency pursuant to this Section exceeds the amount of the Collateral, Borrower shall be liable to Lender for the amount of such excess together with interest thereon in the amount of 10% (annualized, calculated daily) or such other amount specified in the applicable Loan Confirmation.
- 9.4 As security for Borrower's obligation to pay such excess or to perfect the security interest of Lender in the Collateral, Borrower shall, from time to time, as may be required by Lender, grant a security interest in any property of Borrower (which shall exclude any cash or Digital Currency) (the "**Security Interest**") then held by or for Lender and a right of setoff with respect to such property and any other amount payable by Lender to Borrower. Borrower further agrees that at any time and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that Lender may request, in order to create and/or maintain the validity, perfection or priority of and protect any Security Interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.
- 9.5 The purchase price of replacement Digital Currency purchased under this Section shall include, and the proceeds of any sale of Collateral shall be determined after deduction of, broker's fees and commissions and all other reasonable costs, fees and expense related to such purchase or sale (as the case may be).

- 9.6 In the event Lender exercises its rights under this Section 9, Lender may elect in its sole and absolute discretion, in lieu of purchasing all or a portion of the replacement Digital Currencies or selling all or a portion of the Collateral, to be deemed to have made, respectively, such purchase of replacement Digital Currencies or sale of Collateral for an amount equal to the price therefor on the date of such exercise obtained from a generally recognized source.
- 9.7 To the extent that the Loans are now or hereafter secured by property other than the Collateral, or by the guarantee, endorsement or property of any other person, then upon delivery of a Default Notice to Borrower, Lender shall have the right in its sole and absolute discretion to determine which rights, security, liens, security interests or remedies Lender shall at any time pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of them or any of Lender's rights hereunder.
- 9.8 In connection with the exercise of its remedies pursuant to this Section 9, Lender may (1) exchange, enforce, waive or release any portion of the Collateral or Loans in favor of the Lender or relating to any other security for the Loans; (2) apply such Collateral or security and direct the order or manner of sale thereof as the Lender may, from time to time, determine; and (3) settle, compromise, collect or otherwise liquidate any such Collateral or security in any manner following the occurrence of an Event of Default, without affecting or impairing the Lender's right to take any other further action with respect to any Collateral or security or any part thereof.
- 9.9 In the event that there are excessive Collateral under this Agreement, the Lender may, at its sole discretion, apply any excess for the settlement of any other agreement between Borrower or any of its affiliates and Lender or any of its affiliates.
- 9.10 In addition to its rights hereunder, the non-defaulting Party shall have any rights otherwise available to it under any other agreement or applicable law.

10. Rights and Remedies Cumulative.

No delay or omission by the Lender in exercising any right or remedy hereunder shall operate as a waiver of the future exercise of that right or remedy or of any other rights or remedies hereunder. All rights of the Lender stated herein are cumulative and in addition to all other rights provided by law, in equity.

11. Survival of Rights and Remedies

All remedies hereunder and all obligations with respect to any Loan shall survive the termination of the relevant Loan, return of Loaned Assets or Collateral, and termination of this Master Agreement.

12. Collection Costs.

In the event Borrower fails to pay any amounts due or to return any Digital Currency or property or upon the occurrence of any Event of Default in Section 8 hereunder, Borrower shall, upon demand, pay to Lender all reasonable costs and expenses, including without limitation, reasonable attorneys' fees and court costs, broker fees, and technology costs incurred by the Lender in connection with the enforcement of its rights hereunder.

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13. Governing Law; Dispute Resolution.

13.1 This Master Agreement is governed by, and shall be construed and enforced under, the laws of Hong Kong, without regard to any choice or conflict of laws Rules.

13.2 Any dispute, controversy, difference or claim arising out of or relating to this Master Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be Hong Kong laws. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

14. Confidentiality.

14.1 Each Party to this Agreement shall hold in confidence all information obtained from the other Party in connection with this Agreement and the transactions contemplated hereby, including without limitation any discussions preceding the execution of this Agreement (collectively, "**Confidential Information**"). Confidential Information shall not include information that the receiving Party demonstrates with competent evidence was, or becomes, (i) available to the public through no violation of this Section 14, (ii) in the possession of the receiving Party on a non-confidential basis prior to disclosure, (iii) available to the receiving Party on a non-confidential basis from a source other than the other Party or its affiliates, subsidiaries, officers, directors, employees, contractors, attorneys, accountants, bankers or consultants (the "**Representatives**"), or (iv) independently developed by the receiving Party without reference to or use of such Confidential Information.

14.2 Each Party shall (i) keep such Confidential Information confidential and shall not, without the prior written consent of the other Party, disclose or allow the disclosure of such Confidential Information to any third party, except as otherwise herein provided, and (ii) restrict internal access to and reproduction of the Confidential Information to a Party's Representatives only on a need to know basis; provided, however, that such Representatives shall be under an obligation of confidentiality at least as strict as set forth in this Section 14.

14.3 Each Party also agrees not to use Confidential Information for any purpose other than in connection with transactions contemplated by this Agreement.

14.4 The provisions of this Section 14 will not restrict a Party from disclosing the other Party's Confidential Information to the extent required by any law, regulation, or direction by a court of competent jurisdiction or government agency or regulatory authority with jurisdiction over said Party, or required by any rules or requirements of any recognized national stock exchange; provided that the Party required to make such a disclosure uses reasonable efforts to give the other Party reasonable advance Written Notice of such required disclosure in order to enable the other Party to prevent or limit such disclosure. Notwithstanding the foregoing, either Party may disclose the other Party's Confidential Information without Written Notice pursuant to a written request by a governmental agency or regulatory authority.

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14.5 The obligations with respect to Confidential Information shall survive for a period of three (3) years from the date of this Agreement. Notwithstanding anything in this agreement to the contrary, a Party may retain copies of Confidential Information (the "Retained Confidential Information") to the extent necessary (i) to comply with its recordkeeping obligations, (ii) in the routine backup of data storage systems, and (iii) in order to determine the scope of, and compliance with, its obligations under this Section 14; provided, however, that such Party agrees that any Retained Confidential Information shall be accessible only by legal or compliance personnel of such Party and the confidentiality obligations of this Section 14 shall survive with respect to the Retained Confidential Information for so long as such information is retained.

15. Notices.

15.1 Any notice or other communication in respect of this Master Agreement may be given in any manner described below to the address or number or in accordance with the electronic messaging system or e-mail details provided in a Loan Confirmation with respect to a particular Loan ("**Written Notice**"):

Antpool Technologies (BVI) Limited

Attn: [***]

Email: [***]

Finfront Holding Company

Attn: [***]

Email: [***]

And will be deemed effective as indicated:—

(a) if in writing and delivered in person or by courier, at the time when it is delivered;

- (b) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), at the time when it is delivered or its delivery is attempted;
- (c) if sent by electronic messaging system, including e-mail, instant messaging and live chat, SMS or text messaging, phone and voicemail, at the time when it is delivered;

except if it is specified in this Master Agreement that a notice or communication has to be given during Business Hours, in which case that notice or communication will be deemed given and effective at 10am (GMT +8) on the first following Business Day.

15.2 Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system or e-mail details at which notices or other communications are to be given to it.

16. Modifications.

All modifications or amendments to this Agreement shall be effective only when reduced to writing.

17. Single Agreement and set-off

The Parties acknowledge and agree that, and have entered into this Master Agreement in reliance on the fact that, this Master Agreement, and all Loan Confirmations form a single agreement between the Parties (collectively referred to as this “**Agreement**”), and the Parties would not otherwise enter into any Loans.

The Parties hereby agree that each Party may set off any obligation from the other Party to make payments, deliveries, and other transfers in respect of any Loan against any obligation owed by that other Party to the first-mentioned Party.

The Parties hereby agree that (a) each shall perform all of its obligations in respect of each Loan hereunder, and that a default in the performance of any such obligation by a Party (the “**Defaulting Party**”) in any Loan hereunder shall constitute a default by the Defaulting Party under all such Loans hereunder, and (b) the other Party (the “**Non-defaulting Party**”) shall be entitled to set off claims and apply property held by it in respect of any Loan hereunder against obligations owing to it in respect of any other Loan with the Defaulting Party.

18. Entire Agreement.

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any prior negotiations, understanding and agreements. Nothing in this Section 18 shall be construed to conflict with or negate Section 17 above.

19. Successors and Assigns.

This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties. Either Party may assign this Agreement or any rights or duties hereunder with the prior written consent of the other Party (such consent to not be unreasonably withheld or delayed).

Notwithstanding the foregoing, in the event of a change of control of Lender or Borrower, prior written consent shall not be required so long as such Party provides the other Party with Written Notice prior to the consummation of such change of control. For purposes of the foregoing, a “change of control” shall mean a transaction or series of related transactions in which a person or entity, or a group of affiliated (or otherwise related) persons or entities acquires from stockholders of the Party shares representing more than fifty percent (50%) of the outstanding voting stock of such Party.

This Agreement shall not create any rights in favor of or impose any obligation upon any person or entity other than the Parties and their respective successors and permitted assigns. For the avoidance of doubt, any and all claims and liabilities against Lender arising in any way out of this Agreement are only the obligation of Lender, and not any of its parents or affiliates. The Parties agree that none of Lender's parents or affiliates shall have any liability under this Agreement nor do such related entities guarantee any of Lender's obligations under this Agreement.

20. Severability of Provisions.

Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

21. Counterpart Execution.

This Master Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

22. Relationship of Parties.

Nothing contained in this Agreement shall be deemed or construed by the Parties, or by any third party, to create the relationship of partnership or joint venture between the parties hereto, it being understood and agreed that no provision contained herein shall be deemed to create any relationship between the Parties other than the relationship of Borrower and Lender.

23. No Waiver.

The failure of or delay by Lender to enforce an obligation or exercise a right or remedy under any provision of this Agreement or to exercise any election in this Agreement shall not be construed as a waiver of such provision, and the waiver of a particular obligation in one circumstance will not prevent Lender from subsequently requiring compliance with the obligation or exercising the right or remedy in the future. No waiver or modification by either Party of any provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by both parties.

24. Indemnification.

24.1 Borrower shall indemnify and hold harmless the Lender, or any of its parents or affiliates, from and against any and all third party claims, demands, losses, expenses and liabilities of any and every nature (including attorneys' fees of an attorney of Lender' choosing to defend against any such claims, demands, losses, expenses and liabilities) that it may sustain or incur or that may be asserted against it arising out of Lender' lending of Digital Currency to Borrower under this Agreement, except for any and all claims, demands, losses, expenses and liabilities arising out of or relating to the Lender's bad faith, gross negligence or willful misconduct in the performance of its duties under this Agreement. This indemnity shall be a continuing obligation of Borrower, its successors and assigns, notwithstanding the termination of this Agreement.

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24.2 In addition to the Lender's obligation to return the collateral in accordance with the terms of this Agreement, to the extent the Lender's liability is not limited or excluded under Section 24, the Lender's maximum aggregate liability hereunder or howsoever arising, shall be limited to an amount equal to 125% of the Loan Fees and other fees as set forth in Section 3 paid or payable in the 12 months prior to the first event giving rise to a claim under this Agreement.

25. Termination.

Subject to provisions to the contrary contained in this Master Agreement (including but not limited to Section 2.3.1), this Master Agreement may be terminated by either Party upon the later of: (1) the last terminate date of all outstanding Loans; and (2) the date mutually agreed by both parties.

26. Miscellaneous.

26.1 Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders where necessary and appropriate.

26.2 This Agreement is solely for the benefit of the parties hereto and their respective successors and assigns, and no other Person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement.

26.3 The section headings are for convenience only and shall not affect the interpretation or construction of this Agreement.

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IN WITNESS WHEREOF, the parties have caused this Master Agreement to be executed and delivered as of the date first above written.

Antpool Technologies (BVI) Limited

By: /s/ Zhen Zhou
Name: Zhen Zhou
Title: CEO

Date: November 4, 2024

Finfront Holding Company

By: /s/ Liang Lu
Name: Liang Lu
Title: Director

Date: November 4, 2024

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EXHIBIT A

Authorized Agents

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EXHIBIT B

Loan Confirmation

This document constitutes a “Loan Confirmation” referred to in the Master Loan Agreement dated November 4, 2024 (“**Master Agreement**”) between Antpool Technologies (BVI) Limited (“**Lender**”) and Finfront Holding Company (“**Borrower**”) and supplements the Master Agreement with the following specific terms in relation to a Loan dated the Loan Effective Date. In the event of any inconsistency among the Master Agreement, or the applicable Loan confirmation, the following will prevail for purposes of the applicable Loan in the order of precedence indicated: (i) the Loan Confirmation; and (ii) the Master Agreement.

Reference Number	<div></div> <div>Parties shall quote the above number in all communication.</div> <div></div>
Loaned Assets	For the avoidance of doubt, with respect to Loaned Assets and Loan Balance, the day one lending value of one unit of any USDT loaned out shall be deemed to be equal to the same amount in the form of USD, at a ratio of 1:1. In the event that Borrower wishes to repay the Loan Balance to Lender in Digital Currency, Borrower shall repay such amount of Digital Currency which, if converted into USD using the spot rate at the time of such repayment (the “Return Spot Rate”), would be no less than the amount Lender would receive in USD. The Return Spot Rate of any such Digital Currency shall be mutually agreed by the Parties in writing. Notwithstanding the above, the Lender shall have, at any time, the sole and absolute discretion to determine whether to accept a certain form of Digital Currency for repayment for any or all of the Loan Balance. Spot rate of the applicable Digital Currency refers to the price of such Digital Currency at the relevant time denominated in USD and published on the website of Coinmarketcap (https://coinmarketcap.com/)
Loan Fee Rate	6.5% per annum <div></div>
Loan Effective Date	[Loan Fees shall accrue from (and including) this date, provided that the Loaned Assets are transferred to Borrower before 12:00 noon (GMT+8) of such date. In the event that the Loaned Assets are transferred at or after 12:00 noon (GMT+8) of such date, Loan Fees shall accrue from (and including) the following natural day. The determination on the time of transfer of the Loaned Assets to Borrower shall follow the time displayed by the TXID with regards to the last transfer of the Loaned Assets balance to Borrower.]
Maturity Date	<div></div>
Payment Term of Loan Fee	<div></div>
Early Termination Fee	<div></div>

Collateral Terms	<div>For the purpose of this Loan, Collateral is comprised of the following Digital Currencies:</div> <div></div> BTC <div>Market Value of Digital Currencies as of the Loan Effective Date (determined as of <div></div> Singapore time): US\$</div> <div></div>
Market Value	With respect to a Digital Currency as of a time, the last traded price for such Digital Currency to USDT exchange transaction, as reflected on [a price source determined by Lender] closest to (and including) the relevant time.
Initial Margin Level	70% (expressed in LTV)
Margin Call Level	80% (expressed in LTV)
Liquidation Level	90% (expressed in LTV)
Addresses of Lender	[***]
Addresses of Borrower	[***]
Contact Information Specified by Borrower	Name: <div></div> <div>Phone: <div></div> Email: <div></div></div> Name: <div></div>
Risk Control Contact person A	Phone: <div></div> Email: <div></div> <div>Note: Risk control contacts must keep their mobile phone available for 7*24 hours.</div> Name: <div></div>
Risk Control Contact person B	Phone: <div></div> Email: <div></div> <div>Note: Risk control contacts must keep their mobile phone available for 7*24 hours.</div>
Security (if applicable)	
Margin Call and Liquidation	Note: In case of Additional Collateral Notification, there should be at least two risk control contact persons A and B, and the mobile phones of the two risk control contacts must be available to answer calls any time. If Borrower does not respond to the margin call notice in time, it may suffer a loss caused by forced liquidation.

By _____
Name: _____
Title: _____

Date: _____

By _____
Name: _____
Title: _____

Date: _____

EXHIBIT C

Notice of Change of the Authorized Agents

BITFUFU INC.

AMENDED AND RESTATED INSIDER TRADING POLICY

(As Adopted by the Board of Directors of BitFuFu Inc., a Cayman Islands company)

This Amended and Restated Statement of Insider Trading Policy (the “**Statement**”) of the Company sets forth the Company’s policies against insider trading, which applies to all officers, directors, employees and consultants of BitFuFu Inc. and its direct and indirect subsidiaries and affiliates. In this Statement, BitFuFu Inc. and its direct and indirect subsidiaries and affiliates are collectively referred to as the “**Company**”, unless otherwise indicated or unless the context otherwise requires. For the avoidance of doubt, any reference to the Company’s securities in this Statement refers solely to the securities of BitFuFu Inc.

I. OVERVIEW

Preventing insider trading is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company, as well as that of all persons affiliated with it. “Insider trading” occurs when any person purchases or sells any securities while in possession of inside information relating to the securities. As explained in Section III below, “inside information” is information which is considered to be both “material” and “non-public.”

The Company considers strict compliance with the policies set forth in this Statement (collectively, the “**Policy**”) to be a matter of utmost importance. Violation of the Policy could cause extreme reputational damage and possible legal liability to the violator and the Company. Knowing or wilful violations of the letter or spirit of the Policy will be grounds for immediate dismissal from the Company. Violation of the Policy might expose the violator to severe criminal penalties as well as civil liability to any person harmed by the violation. The monetary damages flowing from a violation could be multiple times the profit realized by the violator, not to mention the attorney’s fees of the persons harmed.

This Statement applies to all officers, directors, employees and consultants of the Company (each, an “Affiliate”) and extends to all of such persons’ activities within and outside their duties at the Company. Every director, officer, employee and consultant of the Company must review this Statement, and when requested by the Company, must execute and return the Certificate of Compliance attached hereto to the Compliance Officer for the Company (the “**Compliance Officer**”) within seven (7) days after receipt of the request.

Questions regarding the Statement should be directed to the Compliance Officer.

II. POLICIES PROHIBITING INSIDER TRADING

For purposes of this Statement, the terms “purchase” and “sell” of securities exclude acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards, if applicable, that does not involve a sale of securities. Among other things, the cashless exercise of options does involve sale of securities and therefore is subject to the policies set forth below.

- A. **No Trading** - No Affiliate may purchase or sell any type of security or enter into a binding security trading plan in compliance with Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended (a “**Trading Plan**”) while in possession of material non-public information relating to the Company, its ordinary shares or other securities of the Company (“**Material Information**”).

If any Affiliate is in possession of Material Information, the above policy mandates that the Affiliate may not purchase or sell the Company’s securities until the later of (i) the expiration of a forty-eight-hour waiting period following public disclosure of the Material Information by the Company, and (ii) the lapse of one full Trading Day on the Nasdaq Stock Market (“**Nasdaq**”) following such public disclosure. “Trading Day” is defined as a day on which Nasdaq is open for trading. Except for public holidays in the U.S., the regular trading hours of Nasdaq are from 9:30 a.m. to 4:00 p.m., New York City time, Monday through Friday.

In addition, no Affiliate may purchase or sell any securities of the Company or enter into a Trading Plan without the prior clearance by the Compliance Officer during any period the Company has designated as a “**limited trading period**,” regardless of whether such Affiliate possesses any Material Information. The Compliance Officer may declare limited trading periods at the times that he or she deems appropriate, and need not provide any reason for making a declaration.

Furthermore, all transactions in the securities of the Company (including, without limitation, acquisitions and dispositions of the ordinary shares, sale of the Company’s ordinary shares issued upon exercise of stock options or vesting of other share-based awards and the execution of a Trading Plan, but excluding the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve sale of securities) by officers, directors and key employees designated by the Company from time to time must be pre-approved by the Compliance Officer.

Please see Section III below for an explanation of the Material Information.

- B. **Trading Window** – Assuming none of the “no trading” restrictions set forth in Section II-A above applies, no officer, director, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan other than during a Trading Window (defined below). The “Trading Window” is the period in any fiscal quarter of the Company commencing at the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the prior fiscal year or fiscal quarter, as applicable, and ending on March 31, June 30, September 30 or December 31, as the case may be.

In other words,

(1) beginning on January 1 of each year, no Affiliate may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the fiscal year ended on December 31 of the prior year, and

(2) beginning on April 1, July 1, October 1, and January 1 of each year, no Affiliate may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company’s public disclosure of its financial results for the fiscal quarter ended on March 31, June 30, September 30 and December 31 of that year, respectively.

If the Company’s public disclosure of its financial results for the prior period occurs on a Trading Day more than four hours before Nasdaq closes for trading, then such date of disclosure shall be considered the first Trading Day following such public disclosure.

Please note that trading in any securities of the Company during the Trading Window does not provide a “safe harbor,” and all Affiliates should strictly comply with all the policies set forth in this Statement.

When in doubt, consult the Compliance Officer before trading.

Notwithstanding the foregoing, sale of securities of the Company pursuant to an existing Trading Plan which was entered into in accordance with the Policy and in compliance with applicable law is not subject to the restrictions on trading in Sections II A and II B above.

- C. **No Tipping** - No Affiliate may directly or indirectly disclose any Material Information to anyone who trades in the Company's securities (so-called "tipping"), regardless of whether the person or entity who receives the information, the "tippee," is related to you and regardless of whether you receive any monetary benefit from the tippee.
- D. **Confidentiality** - No Affiliate may communicate any Material Information to anyone outside the Company under any circumstances unless approved by the Compliance Officer in advance, or to anyone within the Company other than on a need-to-know basis.
- E. **No Comment** - No Affiliate may discuss any internal matters or developments of the Company with anyone outside the Company, except as required in the performance of regular corporate duties. Unless you are expressly authorized to the contrary, if you receive any inquiries about the Company or its securities from any press, investment analyst, investor or other outsiders, or any requests for comments or interviews, you should decline to comment and direct the inquiry or request to the Compliance Officer or any other office designated by the Chief Executive Officer.
- F. **Corrective Action** - If any information that may be deemed as Material Information is inadvertently disclosed, any Affiliate having knowledge of such disclosure should notify the Compliance Officer immediately so that the Company can determine whether or not any corrective action, such as a disclosure to the general public, is warranted.
- G. **Rule 10b5-1 Trading Plans** – Notwithstanding the prohibition against insider trading, Rule 10b5-1 provides an affirmative defense against insider trading liability under Rule 10b-5. A person subject to this Policy can rely on this defense and trade in the Company's securities, regardless of their awareness of inside information, if the transaction occurs pursuant to a pre-arranged written Trading Plan that was entered into when the person was not in possession of material non-public information and that complies with the requirements of Rule 10b5-1.

Anyone subject to this Policy who wishes to enter into a Trading Plan must submit the Trading Plan to the Compliance Officer for approval at least five business days prior to the planned entry into the Trading Plan. Trading Plans may not be adopted by a person when he or she is in possession of material non-public information about the Company or its securities and must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans).

Once a Trading Plan is adopted, you must not exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. You may amend or replace a Trading Plan only during periods when trading is permitted in accordance with this Policy, and you must submit any proposed amendment or replacement of a Trading Plan to the Compliance Officer for approval prior to adoption. You must provide notice to the Compliance Officer prior to terminating a Trading Plan. You should understand that a modification or termination of a Trading Plan may call into question your good faith in entering into and operating the plan (and therefore may jeopardize the availability of the affirmative defense against insider trading allegations).

III. EXPLANATION OF INSIDER TRADING

As noted above, "insider trading" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. The aforementioned securities include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under the U.S. federal securities laws. "Purchase" includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions including conventional cash-for-stock transactions, the grant and exercise of stock options and acquisitions and exercises of warrants, puts, calls and other derivatives related to a security. It is generally understood that the definition of "insider trading" includes the following:

- trading by insiders while in possession of material non-public information;
- trading by persons other than insiders while in possession of material non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; and
- communicating or tipping material non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

As noted above, for purposes of this Statement, the terms "purchase" and "sell" of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve sale of securities. Among other things, the cashless exercise of options does involve sale of securities and therefore is subject to the policies set forth in this Statement.

What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information concerning:

- dividends;
- corporate earnings or earnings forecasts, or changes to previously released earnings announcements or guidance;

- changes in financial condition or asset value;
- negotiations for the mergers or acquisitions or dispositions of significant subsidiaries or assets;
- significant new contracts or the loss of a significant contract;
- significant new products or services;
- significant marketing plans or changes in such plans;

- capital investment plans or changes in such plans;
- material litigation, administrative action or governmental investigations or inquiries involving the Company, any of its affiliated companies, or any of its officers or directors;
- significant borrowings or financings;
- defaults on borrowings;
- new equity or debt offerings;
- adoption of repurchase plans or amendment of existing repurchase plans;
- significant personnel changes;
- a cybersecurity incident or risk that may adversely impact the Company's business, reputation or share value;
- changes in accounting methods and write-offs; and
- any substantial change in industry circumstances or competitive conditions which could significantly affect the Company's earnings or prospects for expansion.

A good general rule of thumb: **When in doubt, do not trade.**

What is Non-public?

Information is "non-public" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such commonly believed to be trustworthy media sources as Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg, Associated Press or United Press International. Circulation of rumors, even if later proven to be truth and is reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow approximately forty-eight (48) hours following publication as a reasonable waiting period before such information is deemed to be public.

Who is an Insider?

"Insiders" include officers, directors, employees and consultants of a company and anyone else who has material non-public information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material non-public information relating to the company's securities. All Affiliates should consider themselves insiders with respect to material non-public information about business, activities and securities of the Company. Affiliates may not trade the Company's securities while in possession of material non-public information relating to the Company, or tip or otherwise communicate, except on a need-to-know basis, such information to others.

It should be noted that trading of the Company's securities by members in an Affiliate's household could be deemed the responsibility of such Affiliate under certain circumstances and give rise to legal and Company-imposed sanctions.

Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material non-public information to a third party (a "**tippee**"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material non-public information tipped to them, or individuals who trade on material non-public information which has been misappropriated.

Tippees inherit an insider's duties with respect to, and are liable for trading on, material non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the material non-public information along to others who trade on such information. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material non-public information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

Penalties for Engaging in Insider Trading

Penalties on individuals engaging in insider trading and their employers for trading on or tipping material non-public information can extend well beyond any profits made or losses avoided by the violators. The U.S. Securities and Exchange Commission ("SEC") and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the U.S. federal securities laws include:

- administrative sanctions;

- sanctions by self-regulatory organizations in the securities industry;
- civil injunctions;
- damage awards to private plaintiffs;
- disgorgement of all profits;
- civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of approximately US\$ 2,500,000 or three times the amount of profit gained or loss avoided by the violator;
- criminal fines for individual violators of up to US\$5,000,000 (US\$ 25,000,000 for an entity); and
- jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including immediate dismissal. Insider trading violations are not limited to violations of the U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO) may have also been violated in an insider trading case.

Material Non-public Information Regarding Other Companies

This Policy and the guidelines described herein also apply to material non-public information relating to other companies, including the Company's customers, vendors and suppliers ("**Business Partners**"), particularly when that information is obtained in the course of employment with, or other services performed by, or on behalf of, the Company. Civil and criminal penalties, and discipline, including termination of employment for cause, may result from trading on material non-public information regarding the Company's Business Partners. Each individual should treat material non-public information about the Company's Business Partners with the same care required with respect to information related directly to the Company.

Individual Responsibility

Each person subject to this Policy is individually responsible for complying with this Policy and ensuring the compliance of any family members, such as spouses, minor children, adult family members who share the same household, and any other person or entity whose securities trading decisions are influenced or controlled by the person whose transactions are subject to this Policy. Accordingly, you should make your family and household members aware of the need to confer with you before they trade in the Company's securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws concerning trading while in possession of material non-public information as if the transactions were for your own account.

CERTIFICATION OF COMPLIANCE

TO: Compliance Officer

FROM: _____

RE: STATEMENT OF POLICIES OF BITFUFU INC. GOVERNING MATERIAL NON-PUBLIC INFORMATION AND THE PREVENTION OF INSIDER TRADING (Dated: _____)

I have received and reviewed and understand the above-referenced Statement of Policies (such policies, as amended from time to time, the "**Policy**"), and hereby undertake, as a condition to my present and continued employment at or association with BitFuFu Inc. or any of its subsidiaries or affiliated entities (collectively, the "**Company**"), to comply fully with the Policy.

I hereby certify that I have adhered to the Policy during the time period that I have been employed by or associated with the Company.

I hereby undertake to adhere to the Policy during any future period I am employed by or associated with the Company.

Signature: _____

Name: _____

ID Card Number: _____

Title: _____

Date: _____

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

I, Leo Lu, certify that:

1. I have reviewed this annual report on Form 20-F of BitFuFu Inc. (the “company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 21, 2025

By: /s/ Leo Lu
Name: Leo Lu
Title: Chief Executive Officer

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

I, Calla Zhao, certify that:

1. I have reviewed this annual report on Form 20-F of BitFuFu Inc. (the “company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ;
 - (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 21, 2025

By: /s/ Calla Zhao
Name: Calla Zhao
Title: Chief Financial Officer

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

In connection with the annual report of BitFuFu Inc. (the “Company”) on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Leo Lu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

Date: April 21, 2025

By: /s/ Leo Lu
Name: Leo Lu
Title: Chief Executive Officer

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

In connection with the annual report of BitFuFu Inc. (the “Company”) on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Calla Zhao, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

Date: April 21, 2025

By: /s/ Calla Zhao
Name: Calla Zhao
Title: Chief Financial Officer



WWC, P.C. CERTIFIED PUBLIC ACCOUNTANTS

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-8 (Registration No. 333-282033), the Post-Effective Amendment No. 1 to Form F-1 on Form F-3 (Registration No. 333-278207) and the Registration Statement on Form F-3 (Registration No. 333-286356) of BitFuFu Inc. of our report dated April 21, 2025, with respect to our audit of the consolidated financial statements of BitFuFu Inc. as of December 31, 2023 and 2024, and for each of the years in the three-year period ended December 31, 2024, which is included in its Annual Report on Form 20-F, filed with the Securities and Exchange Commission.

San Mateo, California
April 21, 2025

/s/ WWC, P.C.

WWC, P.C.

Certified Public Accountants

PCAOB ID: 1171

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