Nanhua Futures Co., Ltd.
南華期貨股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 南華期貨股份有限公司 and carrying on business in Hong Kong as 橫華國際 through our Hong Kong subsidiaries)

(Stock Code: 2691)

2026 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Nanhua Futures Co., Ltd. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026 (the "**Interim Results**"). This interim results announcement contains the full text of the Company's 2026 H-share interim report (the "**Interim Report**") and complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The audit committee of the Board has reviewed the Interim Results.

The Company's 2026 interim report will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (https://www.nanhua.net/).

By order of the Board
Nanhua Futures Co., Ltd.
南華期貨股份有限公司
Ma Yisheng
Secretary of the Board and Joint Company Secretary

Hangzhou, the PRC, August 17, 2026

As at the date of this announcement, the board of directors of the Company comprises: (i) Dr. Luo Xufeng as executive Director; (ii) Mr. Lyu Yuelong, Dr. Xu Wencai, Mr. Hu Tiangao, Mr. Li Baoping and Ms. Sun Yingting as non-executive Directors; and (iii) Dr. Xu Lin, Dr. Liu Yulong and Ms. Li Jing as independent non-executive Directors.

IMPORTANT NOTICE

The Board, the Directors and the senior management of the Company warrant the truthfulness, accuracy and completeness of the contents in this interim report and that there is no misrepresentation on, misleading statement in, or material omission from this interim report, for which they will assume joint and several legal liabilities.

This interim report was considered and approved at the tenth meeting of the fifth session of the Board of the Company. All the Directors of the Company attended the Board meeting, and no Director raised any objection to this interim report.

This interim report is unaudited. The Company has prepared the 2026 interim condensed consolidated financial statements in accordance with IFRS Accounting Standards.

Luo Xufeng (person in charge of the Company), Li Li (person in charge of accounting affairs) and Sun Yingting (head of the accounting department) warrant that the financial statements set out in this interim report are true, accurate and complete.

Profit distribution plan or plan for conversion of capital reserve into share capital for the Reporting Period resolved and approved by the Board: The Company has no profit distribution plan or plan for conversion of capital reserve into share capital for the first half of 2026.

Risk warning regarding forward-looking statements: Forward-looking statements including future plans, development strategies and operating plans contained in this interim report do not constitute the Company's actual commitment to investors. Investors should be aware of the risks.

There was no appropriation of funds of the Company by the controlling shareholder(s) or other related parties for non-operating purposes.

There was no guarantee provided by the Company to external parties in violation of the stipulated decision-making procedures.

There was no instance where more than half of the Directors were unable to warrant the truthfulness, accuracy and completeness of the interim report disclosed by the Company.

This interim report has been prepared in both English and Chinese by the Company. In the event of any discrepancies in interpretation between the English version and the Chinese version of this interim report, the Chinese version shall prevail. Any discrepancies between the total and the sum of individual amounts in this interim report are due to rounding. Unless otherwise specified, the data in this interim report are presented in RMB.

IMPORTANT RISK WARNINGS

The Company's business is highly dependent on the overall economic and market environment in the PRC and the regions where its overseas businesses operate. Fluctuations in domestic and overseas capital markets and futures and derivatives markets may have a material impact on the Company's operating results. Taking into account the operating characteristics of the futures and derivatives industry and the actual circumstances of the Company's futures brokerage, risk management, wealth management, overseas financial services and other businesses, the principal risks faced by the Company include: market risk arising from adverse movements or significant fluctuations in the market prices of underlying assets; credit risk arising from the failure of counterparties or clients to perform their contractual obligations or the deterioration of their creditworthiness; operational risk arising from deficiencies or errors in internal procedures or personnel operations; compliance risk arising from changes in industry regulatory policies, laws and regulations and regulatory approaches, as well as differences between domestic and overseas regulatory rules; and information system risk arising from deficiencies or failures in the Company's systems or malfunctions in the information technology systems of cooperating financial institutions. We focus on monitoring and managing core operating risks, including market risk, credit risk, operational risk, compliance risk and information system risk, and formulate differentiated risk management and control strategies for different business lines.

In response to the above risks, the Company has established a comprehensive risk management system which commensurates with its business scale and the complexity of its domestic and overseas operations. Taking into account the operating characteristics of each business, the Company strengthens risk prevention and response through various measures, including system development, process standardization, risk control measures and technological support, implements dynamic and targeted controls over various risks, and continuously optimizes its risk response strategies and specific operating procedures. During the first half of 2026, the Company proactively addressed risks through various effective measures to ensure that all types of risks remained measurable, controllable and within its risk tolerance, thereby safeguarding the safe and efficient conduct of the Company's business operations.

CONTENTS

DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

Definitions of Common Terms

Company Law	the Company Law of the People's Republic of China (中華人民共和國公司法)
Securities Law	the Securities Law of the People's Republic of China (中華人民共和國證券法)
Share(s)	A Shares and H Shares
Shareholder(s)	holder(s) of domestic Share(s) or overseas listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and the Stock Exchange respectively
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
SSE	Shanghai Stock Exchange (上海證券交易所)
SZSE	Shenzhen Stock Exchange (深圳證券交易所)
BSE	Beijing Stock Exchange (北京證券交易所)
Stock Exchange	The Stock Exchange of Hong Kong Limited
HKEX	Hong Kong Exchanges and Clearing Limited
SFC	Securities and Futures Commission of Hong Kong
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

Securities and Futures Ordinance	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Articles of Association	the Articles of Association of Nanhua Futures Co., Ltd. currently in force, as amended, supplemented or otherwise modified from time to time
the Company, Company, Nanhua Futures, we	Nanhua Futures Co., Ltd.
the Group	the Company and its subsidiaries
CFA	the China Futures Association (中國期貨業協會)
DCE	Dalian Commodity Exchange (大連商品交易所)
ZCE	Zhengzhou Commodity Exchange (鄭州商品交易所)
SHFE	Shanghai Futures Exchange (上海期貨交易所)
GFEX	Guangzhou Futures Exchange (廣州期貨交易所)
CFFEX	China Financial Futures Exchange (中國金融期貨交易所)
INE	Shanghai International Energy Exchange (上海國際能源交易中心)
Enterprise Association, Dongyang Hengdian Association	Dongyang Hengdian Social Organization and Economic Enterprise Association (東陽市橫店社團經濟企業聯合會), the de facto controller of the Company
Hengdian Holdings	Hengdian Group Holdings Co., Limited (橫店集團控股有限公司), the controlling shareholder of the Company
Dongyang Henghua	Dongyang Henghua Investment Partnership (Limited Partnership) (東陽市橫華投資合夥企業(有限合夥))
Hengdian Import and Export	Zhejiang Hengdian Import and Export Co., Ltd. (浙江橫店進出口有限公司)

DEFINITIONS

Hengdian DMEGC Magnetics	Hengdian Group DMEGC Magnetics Co., Ltd. (橫店集團東磁股份有限公司)
Nanhua Capital	Zhejiang Nanhua Capital Management Co., Ltd. (浙江南華資本管理有限公司)
Dongyang Hengchuang	Dongyang Hengchuang Industrial Development Partnership (Limited Partnership) (東陽市衡創實業發展合夥企業(有限合夥))
Zhoushan Jinxu	Zhoushan Jinxu Trading Co., Ltd. (舟山金旭貿易有限公司)
Hangzhou Ruiyi	Hangzhou Ruiyi Trading Co., Ltd. (杭州瑞熠貿易有限公司)
Henghua Agricultural Industry	Heilongjiang Henghua Agricultural Industry Service Co., Ltd. (黑龍江橫華農業產業服務有限公司)
North South Enterprise Consulting	Harbin North South Enterprise Consulting Firm (Limited Partnership) (哈爾濱南北企業諮詢事務所(有限合夥))
HGNH Capital (Hong Kong)	HGNH Capital (Hong Kong) Co., Limited (橫華資本(香港)有限公司)
Holland & Muh	Zhejiang Holland & Muh Investment Management Co., Ltd. (浙江紅藍牧投資管理有限公司)
Nanhua Fund Management	Nanhua Fund Management Co., Ltd. (南華基金管理有限公司)
HGNH International	HGNH International Financial Corporation Limited (橫華國際金融股份有限公司)
HGNH International Futures	HGNH International Futures Co., Limited (橫華國際期貨有限公司)
HGNH International Securities	HGNH International Securities Co., Limited (橫華國際證券有限公司)
HGNH International Wealth Management	HGNH International Wealth Management Co., Limited (橫華國際財富管理有限公司)
HGNH International Asset	HGNH International Asset Management Co., Limited (橫華國際資產管理有限公司)
HGNH International Technology Commodity	HGNH International Technology Commodity Services Co., Limited (橫華國際科技商貿服務有限公司)
HGNH International Capital	HGNH International Capital Co., Limited (橫華國際資本有限公司)

A Share(s)	the domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on SSE (stock code: 603093.SH)
NANHUA USA HOLDING	NANHUA USA HOLDING LLC
CII	CHICAGO INSTITUTE OF INVESTMENT, INC.
H Share(s)	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange (stock code: 02691.HK)
FOF	fund of funds
NANHUA USA	NANHUA USA LLC
Nanhua Fund	Nanhua Fund SPC
NANHUA USA INVESTMENT	NANHUA USA INVESTMENT LLC
NANHUA SINGAPORE	NANHUA SINGAPORE PTE. LTD.
NANHUA UK	NANHUA FINANCIAL (UK) CO LIMITED
NANHUA SG	NANHUA ASSET MANAGEMENT SG PTE. LTD.
NANHUA MALAYSIA	NANHUA MALAYSIA SDN. BHD.
HGNH CAPITAL	HGNH CAPITAL FUND
Reporting Period	the six months ended June 30, 2026
end of the Reporting Period	June 30, 2026
Prospectus	the prospectus of the Company dated December 12, 2025

COMPANY PROFILE

INFORMATION ABOUT THE COMPANY

Chinese Name of the Company	南華期貨股份有限公司 (A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 南華期貨股份有限公司 and carrying on business in Hong Kong as 橫華國際 through our Hong Kong subsidiaries)
Chinese Abbreviation (domestic) of the Company	南華期貨
English Name of the Company	NANHUA FUTURES CO., LTD.
English Abbreviation of the Company	NANHUA FUTURES
Legal Representative of the Company	Luo Xufeng
General Manager of the Company	Jia Xiaolong
Authorized Representatives	Luo Xufeng and Ma Yisheng
Secretary to the Board	Ma Yisheng
Joint Company Secretaries	Ma Yisheng and Cong Lin

REGISTERED CAPITAL AND NET CAPITAL OF THE COMPANY

Unit: RMB

	As at the end of the Reporting Period (June 30, 2026)	As at the end of the previous year (December 31, 2025)
Registered capital	**717,724,893**	610,065,893
Net capital	**1,865,838,740.00**	2,744,256,789.93

Note: As of the date of disclosure of this report, the total number of Shares of the Company was 1,038,144,540, of which 882,038,990 were A Shares and 156,105,550 were H Shares.

BUSINESS QUALIFICATIONS

The Company possesses the following relevant qualifications:

Entity	Relevant qualifications
Nanhua Futures	Commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, and securities investment fund distribution
Nanhua Capital	Basis trading, over-the-counter derivatives business, and market making
Nanhua Fund Management	Fund raising, fund sales, asset management, asset management for specific clients, and other businesses permitted by the China Securities Regulatory Commission (CSRC)
HGNH International	HGNH International Futures 1. Type 2: Dealing in futures contracts 2. Type 5: Advising on futures contracts 3. Qualifications as an exchange participant of Hong Kong Futures Exchange Limited 4. Qualifications as a futures clearing company participant of HKFE Clearing Corporation Limited 5. Qualifications as a registered holder of trading rights at Hong Kong Futures Exchange Limited 6. Qualifications as a trading member of Eurex Exchange (EUREX) 7. Qualifications as an overseas intermediary institution of Shanghai International Energy Exchange 8. Qualifications as an overseas intermediary institution of the Dalian Commodity Exchange 9. Qualifications as an overseas intermediary institution of the Zhengzhou Commodity Exchange 10. Qualifications as an overseas intermediary institution of the Shanghai Futures Exchange 11. Qualifications as an overseas intermediary institution of the Guangzhou Futures Exchange 12. Obtained an exemption from foreign company registration with the National Futures Association (NFA) in the United States, enabling it to act as an agent for U.S. investors to trade futures products on trading markets recognized by the SFC, other than the U.S. futures market HGNH International Asset 13. Type 4: Advising on securities (licensing condition to only provide services to professional investors (the term "professional investor" is defined by reference to the Securities and Futures Ordinance and its subsidiary legislation)) 14. Type 9: Asset management (licensing condition to only provide services to professional investors) 15. RMB qualified foreign institutional investor

Entity	Relevant qualifications
	HGNH International Securities 16. Type 1: Dealing in securities 17. Type 4: Advising on securities (licensing condition to only provide services to professional investors (the term "professional investor" is defined by reference to the Securities and Futures Ordinance and its subsidiary legislation)) 18. Qualifications as a direct clearing participant of Hong Kong Securities Clearing Company Limited 19. Qualifications as an exchange participant of the Stock Exchange 20. Qualifications as a China Connect (Shanghai-Hong Kong Stock Connect) clearing participant and qualifications as a China Connect (Shanghai-Hong Kong Stock Connect) exchange participant 21. Qualifications as a China Connect (Shenzhen-Hong Kong Stock Connect) clearing participant and qualifications as a China Connect (Shenzhen-Hong Kong Stock Connect) exchange participant
	NANHUA USA 22. Registered as a member of the National Futures Association (NFA) and obtained qualifications as a Futures Commission Merchant (FCM) with the approval of the U.S. Commodity Futures Trading Commission (CFTC) and accreditation from the NFA 23. Clearing member qualifications with four exchanges under Chicago Mercantile Exchange Group (CME Group): Chicago Mercantile Exchange (CME), Chicago Board of Trade (CBOT), New York Mercantile Exchange (NYMEX), and Commodity Exchange (COMEX) 24. Clearing membership qualifications with Dubai Mercantile Exchange (DME) (renamed Gulf Mercantile Exchange (GME) on September 2, 2024) 25. Membership qualifications with Minneapolis Grain Exchange (MGEX) (renamed MIAX Futures Exchange, LLC on October 1, 2024) 26. Clearing membership qualifications with Intercontinental Exchange U.S. (ICE-US) 27. Clearing membership qualifications with Chicago Board Options Exchange Clearing (CBOE Clear) 28. Trading membership qualifications with Cboe Futures Exchange, LLC (CFE) 29. Clearing membership qualifications with Nodal Clear 30. Trading membership qualifications with Coinbase Derivatives 31. Trading membership qualifications with Nodal Exchange

Entity	Relevant qualifications
	NANHUA USA INVESTMENT
	32. Member of the National Futures Association (NFA) in the United States, and qualified as a Commodity Trading Advisor and Commodity Pool Operator
	NANHUA SINGAPORE
	33. Capital markets services licence approved by the Monetary Authority of Singapore (MAS), with qualifications to engage in trading in futures contracts and leveraged foreign exchange trading, dealing in capital markets products (securities and units in collective investment schemes), product financing and the provision of custodial services
	34. Derivatives trading and clearing membership qualifications with Singapore Exchange (SGX)
	35. Qualifications as an overseas intermediary institution of the Shanghai International Energy Exchange
	36. Qualifications as an overseas intermediary institution of the Dalian Commodity Exchange
	37. Qualifications as an overseas intermediary institution of the Zhengzhou Commodity Exchange
	38. Qualifications as an overseas intermediary institution of the Shanghai Futures Exchange
	39. Qualifications as an overseas intermediary institution of the Guangzhou Futures Exchange
	40. Qualified as a non-U.S. broker in compliance with CFTC Rule 30.10, enabling it to act as an agent for U.S. investors to trade futures products in regulated markets outside the U.S. futures market, such as those in Singapore, Hong Kong and Europe
	41. Trading membership qualifications with ICE Futures Singapore (IFSG) and clearing membership qualifications with ICE Clear Singapore (ICSG)
	NANHUA SG
	42. Fund management license under the Capital Markets Services License (CMS) granted by the Monetary Authority of Singapore (MAS)
	43. Qualifications as a qualified foreign investor

Entity	Relevant qualifications
	NANHUA UK 44. Approved by the UK Financial Conduct Authority to engage in commodity futures, commodity options, as well as commodity futures options, futures (excluding commodity futures and leveraged foreign exchange cash contracts), options (excluding commodity options and commodity futures options), leveraged spot foreign exchange contracts, and stocks, acting as a principal/agent/arranger (provider) of investment transactions or making arrangements for investment transactions 45. Category II membership qualifications with London Metal Exchange (LME) 46. Qualifications as an overseas intermediary institution of the Shanghai International Energy Exchange 47. Qualifications as an overseas intermediary institution of the Dalian Commodity Exchange 48. Qualifications as an overseas intermediary institution of the Zhengzhou Commodity Exchange 49. Qualifications as an overseas intermediary institution of the Shanghai Futures Exchange 50. Qualifications as an overseas intermediary institution of the Guangzhou Futures Exchange 51. Qualifications as a qualified foreign investor 52. Trading and clearing membership qualifications with Intercontinental Exchange Europe (ICEU) 53. Principal membership qualifications with Futures Industry Association (FIA) 54. Qualified as a non-U.S. broker in compliance with CFTC Rule 30.10, enabling it to act as an agent for U.S. investors to trade futures products in regulated markets outside the U.S. futures market, such as those in Singapore, Hong Kong and Europe 55. Non-trading membership of the London Stock Exchange 56. Successfully registered with the NFA as a guaranteed introducing broker (guarantor: NANHUA USA LLC) with the approval of the CFTC, and approved by the NFA as an NFA member

CONTACT DETAILS

Telephone	86-0571-87833551
Facsimile	86-0571-88385371
Email	nanhua-ir@nawaa.com

BASIC INFORMATION

Registered Address of the Company	Room 301, Room 401, Room 501, Room 701, Room 901, Room 1001, Room 1101 and Room 1201, Hengdian Building, Shangcheng District, Hangzhou, Zhejiang Province
Historical Changes to the Company's Registered Address	In October 2021, the Company's registered address changed from "2nd and 3rd Floors, No. 193 West Lake Avenue, Hangzhou" to "Room 301, Room 401, Room 501, Room 701, Room 901, Room 1001, Room 1101 and Room 1201, Hengdian Building, Shangcheng District, Hangzhou"
Office Address of the Company	Room 301, Room 401, Room 501, Room 701, Room 901, Room 1001, Room 1101 and Room 1201, Hengdian Building, Shangcheng District, Hangzhou, Zhejiang Province
Postal Code of Office Address of the Company	310000
Place of Business in Hong Kong	17/F, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong
Website of the Company	www.nanhua.net
Email	nanhua-ir@nawaa.com
Contact Hotline	86-0571-87833551
Facsimile	86-0571-88385371
Shareholder Contact Hotline	86-0571-87833551
Unified Social Credit Code	91330000100023242A

COMPANY PROFILE

INFORMATION DISCLOSURE AND PLACES AVAILABLE FOR INSPECTION

Media designated for information disclosure by the Company	China Securities Journal, Shanghai Securities News and Securities Times
The websites where the interim report is disclosed	Website of the SSE: www.sse.com.cn Website of the Stock Exchange: www.hkexnews.hk Website of the Company: www.nanhua.net
Places where the interim report is available for inspection	The Board Office, 12/F, Hengdian Building, Shangcheng District, Hangzhou, Zhejiang Province

BRIEF DESCRIPTION OF THE COMPANY'S SHARES

Types of Shares	**Stock Exchanges of Listing**	**Stock Name**	**Stock Code**
A Shares	SSE	NANHUA FUTURES	603093
H Shares	Stock Exchange	NANHUA FUTURES	02691

FINANCIAL SUMMARY

I. PRINCIPAL ACCOUNTING DATA

Unit: RMB'000

Item	January to June 2026	January to June 2025	Increase or decrease for the period over the same period of the previous year (%)
Operating income	**879,238**	593,131	48.24
Total profit	**448,519**	257,449	74.22
Net profit attributable to shareholders of the parent company	**388,309**	231,254	67.91
Net cash flows from operating activities	**1,640,054**	(442,036)	–

Item	June 30, 2026	December 31, 2025	Increase or decrease at the end of the period over the end of the previous year (%)
Total assets	**76,466,565**	65,472,642	16.79
Total liabilities	**70,618,476**	59,866,813	17.96
Equity attributable to shareholders of the parent company	**5,837,722**	5,595,853	4.32
Total equity	**5,848,089**	5,605,829	4.32

II. PRINCIPAL FINANCIAL INDICATORS

Item	January to June 2026	January to June 2025	Increase or decrease for the period over the same period of the previous year (%)
Basic earnings per Share (RMB/Share)	**0.55**	0.38	44.74
Diluted earnings per Share (RMB/Share)	**0.55**	0.38	44.74
Weighted average return on net assets (%)	**6.76**	5.51	Increased by 1.25 percentage points

III. NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS OF THE PARENT COMPANY

Item	June 30, 2026	December 31, 2025
Net capital (RMB in millions)	**1,866**	2,744
Ratio of net capital to total risk capital reserves (net capital/total risk capital reserves) (%)	**147**	240
Net capital/net assets (%)	**44**	65
Current assets/current liabilities (%)	**518**	696
Liabilities/net assets (%)	**23**	23
Clearing settlement funds (RMB in millions)	**537**	601

MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTION OF THE INDUSTRY IN WHICH THE COMPANY OPERATES AND ITS PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

(I) Description of the Industry in Which the Company Operates During the Reporting Period

In the first half of 2026, against the backdrop of multiple intertwined macro variables, including the continued escalation of geopolitical tensions, divergence in global monetary policy trends, and profound transformations in the AI and new energy industries, trading and investment activities in the global futures and derivatives markets remained active. According to statistics from the Futures Industry Association (FIA), the cumulative trading volume of global exchange-traded derivatives reached 75.63 billion contracts in the first half of 2026, representing a year-on-year increase of 38%. Statistics from the Bank for International Settlements (BIS) show that, as of the end of the first quarter of 2026, the trading value of global exchange-traded interest rate and foreign exchange derivatives reached US$52.26 trillion, representing a year-on-year increase of 16%. Increased trading volatility in commodity, interest rate and other derivatives became an important driver of market activity. Innovation and risk control in the global derivatives market continued to advance in tandem, with derivatives in emerging areas such as computing power, carbon assets and climate becoming important development directions. The application of technologies such as artificial intelligence and big data has gradually extended across the business chain, including trading, clearing and risk control, while digital transformation has become an important means of enhancing industry efficiency.

The development of global markets also exhibited regional differences. The Asian market was centered on commodity trading, while the European and U.S. markets were more active in financial derivatives such as stock indices, interest rates and foreign exchange. According to FIA statistics, in the first half of 2026, the Asia-Pacific region accounted for 72% of the global trading volume of commodity derivatives relating to agricultural products, metals and energy, maintaining its leading position in global commodity trading volume. By product category, the energy segment accounted for the largest proportion of trading volume, with other crude oil-related products, natural gas, WTI and Brent crude oil among the most actively traded products. Metal products such as gold, silver and steel, as well as agricultural products such as soybean meal and corn, also constituted major pillars of the commodity market.

Leveraging its enormous unified market and substantial industrial production capacity, China has developed into the world's largest commodity derivatives market. The high-level institutional opening-up of the futures market continued to deepen. Since the beginning of this year, 14 futures and options products, including nickel futures and nickel options, have been newly designated as specified domestic products. At present, a total of 37 specified products in China's futures market are open to overseas investors, while the number of futures and options products accessible to QFII and RQFII has expanded to 106. The range of products open to overseas investors continues to expand, building out a system covering energy, metals, chemicals, agricultural products, new energy and other sectors. The market continued to optimize supporting rules for cross-border delivery, while participation by overseas industrial clients and overseas institutions steadily increased, and the international pricing influence of the "China Price" for commodities continued to strengthen. According to data from the CFA, from January to June 2026, the cumulative trading volume of China's futures market amounted to 5.105 billion lots and the cumulative trading value amounted to RMB482.70 trillion, representing year-on-year increases of 25.23% and 42.08%, respectively. A total of 167 futures and options products were listed in the domestic market, with futures products comprehensively covering core sectors of the national economy, including agricultural products, metals, energy, chemicals and finance. At the same time, the range of options instruments continued to expand, with options now generally available for major futures products, providing real-economy enterprises with more refined and diversified risk management tools and enhancing trading depth across the market. Relevant data show that, as of the end of June 2026, 1,546 A-share listed companies had published hedging-related announcements, representing a year-on-year increase of 15.9%. Among them, 173 listed companies engaged in the real economy published hedging-related announcements for the first time and proposed to enter the futures and derivatives markets to conduct risk hedging, representing a year-on-year increase of 57.3%. Leveraging its complete industrial chain in the real economy, the domestic market has developed unique advantages and maintained a trend of high-quality development amid a complex external environment. Product supply, market ecosystem and institutional development continued to improve, market functions were effectively utilized, and the capability and effectiveness of serving the real economy continued to increase.

(II) Principal Businesses

The Company's principal businesses include futures brokerage, wealth management, risk management, overseas financial services and futures investment advisory services.

Futures brokerage business: This refers to the Company's accepting instructions from client to conduct futures transactions on their behalf in the name of the Company, with transaction results borne by the clients. The Company's futures brokerage business is divided into commodity futures brokerage business and financial futures brokerage business. Commodity futures refer to futures contracts with physical commodities as the underlying assets. Commodity futures brokerage involves a futures company's accepting client requests to act as an agent for their commodity futures transactions. Financial futures refer to futures contracts with financial instruments as the underlying assets. Financial futures brokerage involves acting as an agent for clients in financial futures transactions.

Wealth management business: The Company's wealth management business is primarily divided into asset management business, public fund business and securities investment fund distribution business. The asset management business primarily involves accepting written entrustment from single clients or specific multiple clients to invest their entrusted assets according to relevant regulations and contractual agreements, while charging fees or remuneration as stipulated in the contracts. The securities investment fund distribution business refers to the Company's recommending and selling financial products legally issued by relevant institutions to investors through public and non-public means. The public fund business refers to the Company's conducting public fund raising, sales, asset management, specific client asset management and other businesses as permitted by the CSRC through Nanhua Fund.

Risk management business: This refers to OTC derivatives, basis trading, market-making operations and other risk management-related services carried out by the Company. The Company's OTC derivatives business involves conducting OTC options, swaps and other OTC derivative transactions with clients while hedging in the on-exchange futures and options markets to generate corresponding investment returns. Basis trading refers to the business through which Nanhua Capital, while purchasing or selling spot commodities, takes opposite positions in the futures or OTC derivatives markets to hedge risks, thereby obtaining relatively low-risk returns from combining spot and futures positions. Market-making operations refer to services through which Nanhua Capital provides continuous quotes or responds to quotes for specific futures, options and other derivative contracts in accordance with relevant exchange rules. Based on its market-making business models, the Company provides continuous quotes to the market in on-exchange markets, hedges through other contracts upon the execution of market-making contracts, earns exchange subsidies and other income, and generates certain investment returns through different transactions.

Overseas financial services business: This refers to overseas financial services carried out by the Company, covering various sectors including futures brokerage, asset management, securities brokerage, leveraged foreign exchange trading, futures investment consulting services, financial training and securities investment consulting services.

In addition, the Company engages in futures investment consulting services and other businesses that assist and support clients' investment and trading decisions.

II. DISCUSSION AND ANALYSIS OF OPERATIONS

Since the beginning of 2026, facing a complex operating environment arising from the macro political and economic landscape, the Company, guided by the new "Nine Guidelines", has stabilized its development momentum, mitigated business risks, enhanced its comprehensive service capabilities and promoted the steady development of its various businesses. While maintaining its overall strategic direction, the Company further leveraged the advantages of its diversified business layout and strengthened the effectiveness of its services to the real economy through collaboration among multiple businesses, coordination between domestic and overseas operations, and coordination between front-, middle- and back-office functions, thereby supporting the national "Belt and Road" Initiative.

(I) Futures Brokerage Business

The futures brokerage business is the Company's fundamental business and stabilizing anchor. In the first half of 2026, amid a complex and rapidly changing market environment, the Company remained focused on the market development trends of "institutionalization and industrialization" and actively leveraged the synergies among its risk management, wealth management and brokerage businesses. Through measures such as strengthening the professional capabilities of its business teams, optimizing middle- and back-office service processes, enhancing digital technology empowerment and optimizing its client structure, the Company continued to enhance its differentiated service capabilities and drove steady growth in business scale.

During the Reporting Period, the Company continued to enhance its service capabilities for institutional and industrial clients, intensified its efforts to develop listed companies and leading enterprises along industrial chains as clients, and deepened its full-chain industrial service capabilities. Adhering to the principles of "branding, professionalism and differentiation", the Company continued to systematically develop its client service framework to adapt to the institutionalization and industrialization trends of the market. In the first half of 2026, the Company continued to apply for exchange-sponsored industry support projects. It also continued to operate large-scale branded service and promotional events, including "Nanhua Nebula Club", "Nanhua Industry Research Tour" and "Nanhua Wisdom Salon", holding a total of 34 events. The Company actively strengthened cooperation and coordination between its business departments and research departments and jointly established an industry research repository to facilitate resource sharing and complementary strengths, thereby enhancing client experience and client retention.

During the Reporting Period, the Company reinforced the core infrastructure of its brokerage business by advancing the renovation and upgrading of its trading systems. It simultaneously adapted its systems to the launch of new products and new businesses, expanded the range of products available for trading by QFII/RQFII and overseas traders, and enhanced settlement automation efficiency, further meeting clients' personalized trading and security needs.

In addition, relying on its self-established investor education base, the Company actively promoted the value of the industry. In the first half of 2026, the base welcomed more than 4,600 visitors, hosted various industry salons and institutional training sessions, and organized two professional qualification examinations, further enhancing the Company's brand influence. The Company also continued to develop its talent pipeline and improve its system for the "recruitment, utilization, development and retention" of talent, providing sustained support for the development of its brokerage business.

As of the end of the Reporting Period, the Company's client equity for domestic futures brokerage business amounted to RMB43.225 billion.

(II) Risk Management Business

The Company remained committed to the fundamental responsibility of the futures industry to serve the real economy and actively promoted the effective functioning of the futures market. In the first half of 2026, focusing on the actual needs of real-economy enterprises, the Company continued to optimize its risk management products and upgrade its services, achieving steady business development.

In terms of OTC derivatives business, the Company continued to enrich its product portfolio and actively explored the further application of service models and tools such as Nanhua Commodity Index swaps, spot swaps, option-embedded trading and cross-border yield swaps. It also strengthened its coverage of commodity-based OTC derivatives involving precious metals, energy and chemicals, agricultural products and other commodities. From January to June 2026, the Company recorded newly added notional principal of RMB39.028 billion for its OTC derivatives business. In the field of rural revitalization, the Company carried out 36 "Insurance-plus-Futures" projects, providing risk protection of nearly RMB245 million for agriculture-related entities. The projects covered provinces including Shandong, Henan and Guangdong.

In terms of basis trading, focusing on the needs of real-economy enterprises and opportunities arising from the listing of new products in the market, the Company actively promoted the implementation of spot-futures business involving lithium carbonate, platinum, palladium and other products, thereby diversifying the profit models of its spot-futures business. At the same time, by further strengthening cooperation with leading industrial enterprises, the Company rapidly enhanced its industrial-chain service capabilities. Leveraging its professional derivatives capabilities and supply chain collaboration, it further deepened its integrated spot-futures services. From January to June 2026, the Company recorded cumulative newly added basis trading volume of RMB1.849 billion.

In terms of market-making operations, as of the end of June 2026, the Company acted as a market maker for 50 products, comprising 24 options products and 26 futures products. During the Reporting Period, leveraging its stable and outstanding market-making performance, the Company continued to apply for and secure market-making qualifications for various products, thereby further expanding the scope of its business. It added seven options products, namely styrene, cotton, caustic soda, methanol, gold, silver and copper, as well as three futures products, namely butadiene rubber, ferrosilicon and silicomanganese. The Company actively provided liquidity to the market and facilitated reasonable market pricing. By continuously optimizing its market-making strategies and business systems, the Company steadily enhanced its investment research and decision-support capabilities and completed a comprehensive review and performance optimization of its market-making counter system. It conducted targeted reviews and iterative upgrades to address issues such as system latency and trading delays, reinforcing the technological foundation for the safe and efficient operation of the business. This further enhanced its trading and position management capabilities and promoted the steady development of its market-making operations. From January to June 2026, the transaction volume of the Company's market-making operations amounted to RMB1,380.585 billion.

(III) Wealth Management Business

The wealth management business is an important segment of the Company's diversified development. Leveraging its licenses for public funds, asset management and securities investment fund distribution, the Company has established a comprehensive wealth management business system. In the first half of 2026, in response to development trends in the wealth management business and client needs, the Company continued to enrich its multi-asset and multi-strategy layout and promoted the high-quality development of its wealth management business.

In terms of public fund business, Nanhua Fund, a subsidiary of the Company, continued to strengthen its investment research capabilities and optimize its product layout in light of its own characteristics. During the Reporting Period, the Company actively promoted the establishment of a comprehensive tracking framework for the technology innovation sector and a regular investment research coordination mechanism. Its industry research covered sectors including broad-based consumer, media strategy, power equipment, new energy, computers, computing power, high-end manufacturing, electronics and communications, with its integrated investment research capabilities continuing to improve. The Company focused on further developing institutional distribution channels for its three principal products, namely Nanhua Ruiheng, Nanhua Fenghui and Nanhua Technology Innovation. It also continued to expand cooperation with insurance companies, securities firm FOFs, banks and leading e-commerce platforms, thereby establishing a diversified institutional client matrix. As of the end of the Reporting Period, the size of outstanding public funds under management of Nanhua Fund amounted to RMB18.262 billion.

In terms of asset management business, the Company closely followed market developments and achieved steady product operations and investment performance by enriching its strategy product lines, broadening cooperation with institutional distribution channels, and organizing dedicated roadshows and brand events, thereby laying a foundation for business growth. As of the end of the Reporting Period, the scale of the Company's asset management business amounted to RMB3.259 billion. Customized products for institutional clients were the principal driver of incremental business scale, while strategies such as the Nanhua Commodity Index continued to expand. Multiple product lines, including FOF, discretionary CTA and macro quantitative strategies, steadily increased in scale. Cooperation with distribution channels and institutional clients continued to be implemented, and the business structure continued to improve.

In terms of securities investment fund distribution business, the Company continued to optimize its product selection and manager due-diligence mechanisms and identify and offer high-quality products. It continued to strengthen internal training and client roadshows to enhance service professionalism and sales capabilities, reinforced the development of its client engagement and support system to optimize client experience, and further improved its organizational and management structure and recruited outstanding talent, thereby promoting the coordinated development of securities investment fund distribution and its other business segments.

(IV) Overseas Financial Services Business

In the first half of 2026, the Company continued to improve its global clearing qualification portfolio. It currently holds memberships at 20 major global exchanges and 15 clearing memberships, covering the core commodity trading markets in Southeast Asia, North America and Europe. The coverage and market adaptability of its cross-border trading and clearing services continued to improve. Volatility in global commodity, foreign exchange and equity markets intensified, while demand from domestic and overseas industrial clients for hedging and global asset allocation continued to expand. Along with the continued internationalization of China's futures industry, the Company leveraged HGNH International as its international operating platform. With compliant operation as its bottom line, its global multi-center layout and commodity clearing services as its core strengths, and risk management for industrial and financial institutions as its principal focus, the Company achieved steady improvements in operating indicators, continued expansion of its global network and stable implementation of its risk control and compliance measures. As of the end of the Reporting Period, the total client equity of the Company's overseas brokerage business amounted to HKD33.560 billion, while the total scale of its overseas asset management business amounted to HKD8.233 billion.

In terms of overseas futures business, during the Reporting Period, HGNH International Futures, Nanhua Singapore and Nanhua UK successively obtained qualifications as an overseas intermediary institution of the SHFE and GFEX. As a result, all three companies have obtained qualifications as an overseas intermediary institution of the five futures exchanges in the Chinese mainland, namely the DCE, ZCE, INE, SHFE and GFEX. They are therefore able to efficiently serve overseas investors participating in the trading of specified domestic products, connect with global industrial clients and institutional capital, continue to broaden the international market coverage of China's internationalized futures products and promote the participation of overseas investors in the trading of specified domestic products. In June this year, Nanhua Malaysia Co., Ltd. was incorporated in Kuala Lumpur, Malaysia and plans to apply for financial licenses in Malaysia to enhance its commodity clearing network covering industries such as palm oil and rubber. Going forward, it will link Singapore with specified domestic products in China and establish a comprehensive service system for the trading and clearing of commodities such as palm oil, rubber and iron ore, thereby further enhancing the Company's capabilities in serving industrial and institutional clients.

In terms of overseas asset management business, leveraging the mature financial markets and comprehensive asset management licenses in Hong Kong and Singapore, the Company continued to enrich its diversified product matrix comprising private funds, customized segregated accounts and other products. Focusing on asset allocation, commodity hedging and other businesses, it continued to promote product innovation and upgrades. During the Reporting Period, the Company continued to deepen its cooperation with various global financial institutions and investor clients and continuously optimized its hedging strategies and asset allocation system, achieving sustained and steady growth in asset scale.

In terms of overseas securities business, the Company continued to improve its global securities license and qualification portfolio. Leveraging its advantages across multiple regional markets worldwide, the Company sought to develop its securities brokerage business into a gateway for the delivery of integrated financial services, while continuing to identify new business growth opportunities in cross-border securities services, institutional cooperation and other areas. Since the beginning of 2026, the Company has made breakthrough progress in the development of its overseas securities qualifications. NANHUA SINGAPORE successfully obtained approval for securities-related business qualifications, while NANHUA UK successfully obtained non-trading membership of the London Stock Exchange, enhancing its agency trading service capabilities in the UK securities market and supporting the steady and higher-quality development of the Company's international securities business.

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Comprehensive Derivatives Business and Related License Portfolio

Through years of development, the Company has established a comprehensive financial services platform encompassing four major business segments, namely futures brokerage, risk management, wealth management and overseas financial services. The parent company, Nanhua Futures, conducts businesses including futures brokerage and asset management. Nanhua Capital and its subsidiaries conduct risk management businesses including basis trading, OTC derivatives and market-making operations. HGNH International and its subsidiaries conduct overseas financial services businesses, while Nanhua Fund conducts public fund business. This has created a pattern of coordinated development between spot and futures, on-exchange and off-exchange, public and private offerings, domestic and overseas markets, and online and offline channels.

In terms of futures brokerage business, the Company continued to optimize its nationwide network layout and resource allocation, with its branches covering China's major industrial and financial clusters. The Company is a member of the SHFE, DCE, ZCE, CFFEX, GFEX and INE, as well as a trading participant of the SSE and SZSE, enabling it to provide clients with all-product, full-chain brokerage services. During the Reporting Period, the Company adapted to the launch of new products and businesses, expanded the range of products available for trading by QFII/RQFII and overseas traders, steadily advanced the transformation and performance upgrades of its core trading systems, continuously enhanced its service capabilities for institutional and industrial clients, and consolidated the core foundation of its brokerage business.

In terms of risk management business, Nanhua Capital focuses on three core segments, namely basis trading, OTC derivatives and market-making operations, while serving rural revitalization and the development of agriculture, rural areas and farmers through models such as "insurance + futures". The OTC derivatives business continued to innovate and evolve, precisely addressing the differentiated risk management needs of institutional and industrial clients. The basis trading business continued to expand its product categories, covering multiple industrial chains including energy and chemicals, rubber, new energy and ferrous metals, and added products such as lithium carbonate, platinum and palladium, thereby deepening its integrated futures and spot service capabilities. The scale of its market-making operations expanded steadily, continuously providing liquidity to the market and supporting the price discovery function of the futures market.

In terms of wealth management business, the Company holds core licenses for asset management, securities investment fund distribution and public funds, and has established a full-category wealth management business matrix. As the first public fund management company in China wholly owned by a futures company, Nanhua Fund has distinctive product lines covering equity, quantitative and fixed-income products and continues to enhance its professional investment capabilities and client service standards. The Company's asset management business continued to enrich its strategy matrix and, leveraging its professional advantages in futures and derivatives, promoted the coordinated development of product lines including the Nanhua Commodity Index, discretionary CTA and FOF. The Company's wealth product distribution business continued to advance its "systematic, standardized and normalized" development, improving full-process management covering manager due diligence, product screening and client engagement, thereby ensuring the high-quality and sustainable development of the business.

In terms of overseas financial services business, the Company has established a presence in four major international financial centers, namely Hong Kong in China, Singapore, London in the United Kingdom and Chicago in the United States, covering three major time zones in Asia, Europe and North America. It holds various licenses covering futures, securities and asset management and is able to conduct diversified businesses including brokerage, clearing and asset management. The Company has currently obtained memberships at 20 major global exchanges and 15 clearing membership seats. Currently, the Company's overseas entities hold qualifications as an overseas intermediary institution of all five futures exchanges in the Chinese mainland, enabling it to provide global clients with one-stop services for participation in the trading of specified domestic products. At the same time, the Company has newly established an operation in Malaysia to deepen its coverage of the Southeast Asian market, continuously improve its global service network and enhance its capabilities in serving global industrial and institutional clients.

(II) Forward-looking International Business Layout

The Company closely aligns with the national "Belt and Road" Initiative and uses its overseas subsidiary HGNH International as the core vehicle for its international operations. Leveraging its localized operating network covering Hong Kong in China, Singapore, Malaysia, the United Kingdom and the United States, the Company has developed round-the-clock service capabilities across the three major time zones of Asia, Europe and North America, thereby building a core international competitive advantage featuring both in-depth industrial services and broad global market coverage. The overseas subsidiaries actively advance localized business development and steadily develop local clients. This not only enables the Company to continuously consolidate its existing business base, broaden client acquisition channels and effectively generate incremental business growth, but also facilitates deeper connections with regional industrial resources and the leveraging of local industrial-chain strengths, further enhancing its penetration and influence in local markets. Focusing on the key challenges faced by "going-global" Chinese enterprises in cross-border operations, including commodity and foreign exchange risk management and supply chain management, the Company has developed full-chain industrial risk management solutions covering procurement pricing, inventory management, cross-border hedging and foreign exchange risk hedging around key industrial chains such as metals, energy and chemicals, and agricultural products. Leveraging its integrated onshore and offshore spot-futures capabilities, the Company provides customized services to enterprises, helping entity enterprises lock in cross-border operating costs and hedge against risks arising from global market volatility. At the same time, the Company continued to deepen its one-stop integrated service system featuring a closed loop across the entire process of "trading-clearing-delivery" to meet clients' diversified needs for futures trading across multiple global markets, cross-border delivery and other services. Leveraging its qualifications as an overseas intermediary institution of the five futures exchanges in the Chinese mainland, the Company efficiently connects global investors with the trading of specified products in China's futures market, forming a two-way service loop of "going global" and "bringing in" and continuously strengthening its differentiated competitive barriers.

The Company has established an integrated compliance and risk control management system adapted to the regulatory requirements of multiple jurisdictions worldwide. It strictly complies with local regulatory rules and implements look-through internal control management and whole-process risk control mechanisms to ensure compliant operations of its cross-border businesses. The Company conducts real-time dynamic monitoring of risks across all product categories, coordinated risk analysis across different time zones and regular stress tests, adopting multiple measures to safeguard global client assets and ensure the stable operation of its businesses. At the technological level, the Company has developed independent and controllable overseas financial technology infrastructure to ensure low-latency and highly stable trading. On the investment research front, it has established a professional research team and developed a multi-dimensional research system integrating macro strategies, in-depth industrial research and quantitative derivatives research, enabling it to provide cross-border clients with precise market analysis and customized trading strategies. These multidimensional foundational capabilities work in synergy to support improvements in both the scale and the quality and efficiency of the Company's international business, continuously consolidating the Company's core competitiveness in global development.

(III) Strong Management Capabilities and a Dynamic Management Team

The Company's senior management team possesses extensive industry experience and rich management expertise. Its young and professional team structure provides core support for the Company's continued and steady development. Mr. Luo Xufeng, the Chairman, has more than 30 years of experience in the futures industry and possesses deep insight into and understanding of industry development trends, market operating patterns and core client needs. The Company continues to develop a young and professional management pipeline. Its management team possesses strong learning capabilities and market responsiveness, enabling it to rapidly adapt to changes in the industry environment, accurately capture strategic opportunities and adjust its business layout, thereby continuously injecting vitality into the Company's development.

The year 2026 marks the inaugural year of the Company's A+H dual-listing. Closely following the principal themes of stringent industry regulation and high-quality development, the management team coordinated and advanced key initiatives including business transformation and upgrading, global business development and digital construction, leading the Company to achieve steady improvements in operating quality and efficiency amid a complex market environment. The Company's management team has been recognized as "China's Best Futures Company Gold Medal Management Team" for consecutive years, while Chairman Luo Xufeng has been recognized as "China's Best Futures Company Leader" for consecutive years, demonstrating continuously increasing industry recognition.

(IV) Deep Empowerment through Financial Technology, and Efficient and Innovative Business Development

The Company continued to deepen the integration of technology and business and constructed an industry-leading financial technology system on the basis of over a decade of technological accumulation, which has become an important engine supporting the coordinated development of the Company's diversified businesses and enhancing its core competitiveness. Since the establishment of its Software Department in 2011, the Company, through years of cultivation and development, has built a professional technology team with leading-edge skills, rich experience and stability, forming a comprehensive system for research and development, operation and maintenance, and innovation. In line with the digital transformation trend of the futures industry, the Company implemented its financial technology development strategy. Adhering to the core orientations of "leveraging data governance, prioritizing in-house innovation and pursuing intelligent solutions", it continuously promoted the dual-wheel drive of business innovation and technological innovation and integrated technological empowerment throughout all business processes, helping improve service efficiency and product competitiveness and better meet the differentiated needs of diverse domestic and overseas clients.

The Company's independently developed spot-futures trading risk management system, Shenghua Financial Derivatives System, integrated investment research and industrial services platform, and CAP-based business middle platform project have each won the Financial Technology Development Award for several consecutive years. Its intelligent futures research report writing system based on large language models was previously shortlisted among the demonstration scenarios and innovative cases for artificial intelligence large models in the financial sector by the Shanghai Financial Technology Industry Alliance.

The Company continued to consolidate the development of its intelligent data infrastructure and strengthen its data governance capabilities, providing high-quality data support for its company-wide digital and intelligent transformation. In terms of intelligent business empowerment, the Company deepened the implementation of AI large models across multiple scenarios and successively completed the development and application of functions including an AI research assistant, intelligent review management platform, intelligent account-opening review and AI customer service. It also deployed a unified gateway for large model access and advanced the development of an enterprise knowledge platform, empowering various business lines to improve quality and efficiency.

In terms of system development, the Company's independently developed Shenghua Derivatives System continued to optimize its capability to support innovative business structures, while its futures and spot business risk management system established a full-process closed loop covering logistics, capital and transactions. The Nanhua High-Speed Trading System NHTD continued to evolve, closely addressing client needs and continuously enhancing client engagement and retention. The Data Connectivity Platform, Nanhua Tong APP and HGNH International Integrated Intelligent Business Control Platform, among other systems, were iteratively upgraded, covering all scenarios including risk control, operations and services. Meanwhile, the Company steadily advanced the implementation of its information technology application innovation transformation. Domestic substitution of its core trading systems and office systems progressed in an orderly manner, further consolidating its technological autonomy and controllability.

IV. ANALYSIS OF FINANCIAL STATEMENTS

(I) Profitability Analysis

During the Reporting Period, faced with a complex and severe international environment and macroeconomic situation, as well as increasingly fierce market competition in the futures industry, the Company continued to focus on its core business, strengthened risk management and control, and ensured the steady operation of the Company, achieving sustained growth in overall operating results. From January to June 2026, the Group achieved total operating income of RMB879,238 thousand, representing a year-on-year increase of 48.24% ; attained net profit attributable to shareholders of the parent company of RMB388,309 thousand, representing a year-on-year increase of 67.91%; achieved basic earnings per share of RMB0.55; and recorded a weighted average return on net assets of 6.76%.

(II) Asset Structure and Asset Quality

During the Reporting Period, driven by the increase in client equity, both the total assets and total liabilities of the Group recorded growth. As of the end of the Reporting Period, the Group's total assets amounted to RMB76,467 million, representing an increase of 16.79% from the end of 2025; total liabilities amounted to RMB70,618 million, representing an increase of 17.96% from the end of 2025; and net assets amounted to RMB5,848 million, representing an increase of 4.32% from the end of 2025. The asset structure remained stable, and asset quality and liquidity remained sound.

As of the end of the Reporting Period, of the Group's total assets, current assets amounted to RMB75,952 million, accounting for 99.33%, while non-current assets amounted to RMB515 million, accounting for 0.67%. Total assets mainly comprised cash assets of RMB69,906 million, accounting for 91.42%; financial investment assets of RMB5,633 million, accounting for 7.37%; and other assets of RMB928 million, accounting for 1.21%. As at the end of the Reporting Period, liabilities excluding customers' equity payable amounted to RMB3,621 million, representing an increase of 35.32% compared with the end of 2025, which was mainly attributable to the increase in advances received from clients and amounts payable to clients in the risk management business. The Group's gearing ratio as at the end of the Reporting Period was 38.24%, representing an increase of 5.93 percentage points from 32.31% as at the end of 2025. (Note: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable)).

(III) Liquidity Level Management

In respect of liquidity risk, the Company has established and improved an early warning mechanism for liquidity risk control indicators with net capital as the core and conducted stress tests to assess the Company's liquidity risk profile under extreme scenarios. The Company strictly implements the "two funds" management system, under which client margins and the Company's proprietary funds are strictly segregated. In the first half of 2026, all monthly liquidity regulatory indicators of the Company met the regulatory requirements of the CSRC. All licensed overseas entities in Hong Kong of China, Singapore, the United Kingdom and the United States, among others, satisfied the mandatory local regulatory requirements in respect of net capital and liquidity indicators.

To meet the funding needs for business development, the Group actively expanded its domestic and overseas financing channels. The futures company effectively enhanced its capital strength through the issuance of subordinated bonds. The domestic risk management subsidiary made full use of bank credit lines and flexibly utilized unsecured borrowings, bank acceptances and other instruments to meet its working capital needs. The overseas subsidiaries also obtained unsecured borrowings through credit facilities provided by financial institutions. The multi-tiered financing arrangements both onshore and offshore provided strong support for the steady development of the Group's core businesses while keeping risks under control.

As at the end of the Reporting Period, the outstanding amount of the Group's subordinated bonds was RMB500 million, unchanged from that as at the end of 2025. Total borrowings amounted to RMB837 million (as at the end of 2025: RMB626 million), all of which were repayable within one year. Details of the Group's borrowings are set out in note (39) to the financial statements in this interim report.

(IV) Cash Flow Status

The net increase in the Company's cash and cash equivalents for the first half of 2026 amounted to RMB1,111,278 thousand, representing an increase of RMB911,998 thousand compared with the corresponding period of 2025. Net cash flows generated from operating activities for the first half of 2026 amounted to RMB1,640,054 thousand, representing an increase of RMB2,082,090 thousand compared with the corresponding period of 2025, mainly due to increased client-related net cash inflows from the futures brokerage business driven by higher client equity during the period. Net cash flows from investing activities for the first half of 2026 represented net cash outflows of RMB648,540 thousand, representing a decrease of RMB1,180,395 thousand compared with the corresponding period of 2025, mainly due to an increase in the scale of time deposits placed and financial products purchased by the Company during the period. Net cash flows generated from financing activities for the first half of 2026 amounted to RMB175,980 thousand, representing an increase of RMB65,908 thousand compared with the corresponding period of 2025, mainly because the Company had not yet paid the dividend for 2025 as of the end of the Reporting Period.

(V) Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in foreign exchange rates. Although the Company's overseas businesses are exposed to fluctuations in foreign exchange rates, the overall risk remains controllable. Most of the Company's business transactions are conducted in the functional currencies of the relevant jurisdictions, resulting in relatively limited exposure. Stress tests indicate that, even under extreme fluctuations in foreign exchange rates, the impact on net profit would remain within a tolerable range. The Company has also appropriately transferred part of such risk through financial instruments.

(VI) Contingent Liabilities

As of the end of the Reporting Period, the Group did not have any material contingent liabilities.

(VII) Charges on Assets

As of the end of the Reporting Period, details of the Group's assets subject to charges and other restrictions on use are set out in note (39) to the financial statements in this interim report.

V. POTENTIAL RISKS

The primary risks encountered by the Company during its operations include market risk, credit risk, operational risk, compliance risk and information system risk. In the first half of 2026, the Company took effective measures to proactively address these risks, with a view to ensuring the safe and efficient conduct of its business activities.

(1) Market Risk

Market risk refers to the risk of changes in the price or value of derivatives as caused by unfavorable changes or sharp fluctuations in the market prices of underlying assets.

In the futures brokerage business, market risk may result in fluctuations in trading volumes in the futures market, continuous decline in brokerage commission rates, loss of clients and reduction in client margins, decrease in market share, client account deficits, and other situations. These factors can have a significant adverse impact on the Company's revenue from futures brokerage business, as well as its overall results of operation and financial condition, and may also generate a substantial liquidity risk or even bankruptcy risk.

In the risk management business, market risk mainly manifests as the risk arising from changes in market conditions when the Company's portfolio positions in securities, futures, options and spot commodities, among others, are exposed to market risk, which could adversely affect the Company's results of operation and financial condition.

In the wealth management business, the return levels of managed or sold wealth management products are significantly influenced by market fluctuations. There may be situations where investment strategies or management measures fail to adapt to market volatility or unfavorable macroeconomic and socio-political environments, thereby impacting the Company's results of operation.

In the overseas financial services business, relevant operations face market risks similar to those of domestic operations of the same type. Additionally, they must bear the risks associated with changes in the international financial market. Particularly in the Company's overseas futures clearing business, if a client experiences an account deficit, the Company is required to advance funds for the client and subsequently seek reimbursement. If the amount of account deficit is substantial, the overseas subsidiaries may face a significant liquidity risk or even bankruptcy risk.

(2) Credit Risk

Credit risk generally refers to the risk of incurring financial losses due to a counterparty's failure to fulfill its contractual obligations.

In the futures brokerage business, when a client's margin balance is insufficient and the client is unable to continue adding margin, or when the lack of market liquidity prevents the Company from promptly and effectively implementing a series of risk control measures such as mandatory liquidation, the Company is required to advance the insufficient margin on behalf of the client. The aforementioned circumstances may lead to a client's account deficit. If the client is unwilling or unable to return the funds advanced by the Company on its behalf in accordance with the contract, the Company may face the risk of bearing losses or even legal proceedings.

In the risk management business, credit risk primarily manifests as the risk of losses incurred by the Company due to the failure or intentional default of counterparties in OTC derivatives transactions or spot trading counterparties in basis trading to fulfill their obligations under the contracts, which could have a significant adverse impact on the Company's results of operation and financial condition.

In the wealth management business, due to improper selection of underlying assets, inadequate asset management measures and other reasons, the credit quality of investment targets may deteriorate, thus leading to reduced product yields, which may place the Company's wealth management business at a continuous disadvantage in future competition and affect the Company's results of operation.

In the overseas financial services business, apart from risks similar to those in domestic businesses, credit risk also manifests in terms of the reliability of clients and trading counterparties. Failure to effectively grasp the credit status of trading counterparties, particularly that of upstream brokers, may adversely affect the Company's results of operation.

(3) Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal systems, personnel or processes, or from events beyond the control of the organization. Operational risk in the futures brokerage business mainly arises during the account opening stage and the operational stage. Such risk may arise from the lack of systems, operational processes and authorizations for key business operations, or the unreasonable design thereof, or from the failure to effectively implement such systems, processes and authorizations, which may result in improper operations, occupational fraud or violations of laws and regulations by employees responsible for relevant positions, thereby harming the interests of clients or subjecting the Company to regulatory penalties and damaging its interests and reputation.

In the risk management business, operational risk primarily manifests as risk arising from trading errors or regulatory violations in the market-making business department due to incorrect use of models, incorrect setting of trading parameters, trading system failures and other factors, risk arising from operational errors or improprieties by employees in the OTC derivatives business department during hedging transactions and other activities, as well as risk arising from operational errors or improprieties by employees in the basis trading department during the procurement and sale of spot commodities and spot-futures transactions.

In the wealth management business, the Company may suffer direct or indirect operational risk due to deficiencies or failures in internal procedures, personnel or systems, or external events, which may lead to a decrease in the scale of the Company's wealth management business and a decline in its revenue, thereby adversely affecting the Company.

Operational risk in the overseas financial services business is similar to that in domestic business. However, some trading operations involve cross-border transactions and are subject to different trading and regulatory rules, which may increase operational risk and could adversely affect the Company's overall revenue.

(4) Compliance Risk

The futures industry is subject to a high degree of regulation. Changes in regulatory policies, laws and regulations, and regulatory attitudes of regulatory authorities in the futures industry may adversely affect the Company's results of operation and financial condition.

In various businesses such as futures brokerage, risk management, wealth management and overseas financial services, if compliance issues arise in information disclosure, business development, product design and operation, contract signing and performance, and protection of client rights and interests, the Company may face regulatory investigations from supervisory authorities, inquiries and investigations by other competent authorities, and other regulatory procedures. These judicial proceedings, arbitrations and regulatory investigations against the Company may lead to court mediation, injunctions, fines, penalties or other unfavorable outcomes for the Company, thereby damaging its reputation. Even if the Company successfully defends itself against these judicial proceedings and regulatory investigations, it may still incur expenses. Particularly under unfavorable market conditions, the number of legal appeals, the amount of litigation claims and the amount of penalties may increase.

In particular, in terms of overseas financial services business, the Company has established overseas subsidiaries in Hong Kong in China, Singapore, the United Kingdom, the United States and Malaysia. Due to significant differences between regulatory reviews by overseas regulatory authorities and those by domestic authorities, the overseas subsidiaries may face sanctions, fines or other penalties due to differences in interpretation, which could adversely affect the Company's business, financial condition, results of operation and reputation.

(5) Information System Risk

Information system risk refers to the risk of direct or indirect losses due to deficiencies or failures in the system.

In various businesses such as futures brokerage, risk management, wealth management and overseas financial services, if the Company's information technology systems fail to effectively meet business development needs, or if there are deficiencies or poor operation and management in the information technology systems, failures in the information systems may occur and affect clients' normal trading activities, which may result in claims from clients against the Company and could adversely affect its results of operation and financial condition.

The Company also faces risks arising from operational failures, deficiencies or termination of the information technology systems of futures exchanges, margin depositary banks, clearing agents or other financial institutions. Any operational failures, deficiencies or termination of the information technology systems of these financial institutions cooperating with the Company could adversely affect the Company's ability to execute transactions, provide client services and manage risks. Additionally, disputes or cooperation difficulties arising between the Company and these financial institutions due to such issues may also affect the Company's normal operations.

VI. MAJOR RISK PREVENTION STRATEGIES AND MEASURES

(1) Market Risk

For the futures brokerage business, the Company conducts comprehensive market risk assessments and promptly adjusts its announced margin levels to mitigate position risks under different risk levels. Through scheduled and periodic risk simulations, the Company monitors clients' potential risks and the Company's overall position risk.

For the risk management business, the Company calculates the hedging thresholds for the hedging targets, determines the required quantity of the hedging target assets and makes real-time dynamic adjustments to position sizes to mitigate risks arising from unfavorable changes such as market fluctuations. The Company also controls market risk by setting stop-loss points and monitoring fluctuations in asset prices in real time.

For the wealth management business, the Company ensures that the use of funds matches the sources of funds through a comprehensive analysis of the liquidity of investment portfolios and the characteristics of changes in the asset scale of asset management plans. The Company monitors the liquidity of the investment portfolios under the plans in real time to maintain appropriate liquidity and safety of the plan assets.

For the overseas financial services business, the Company improves its product investigation procedures, analyzes the price volatility and market liquidity of products proposed to be traded, and formulates comprehensive market risk control measures for such products. The Company controls market risk through measures including adjustments to trading funds and limits on trading scale.

(2) Credit Risk

For the futures brokerage business, the Company understands clients' credit status through pre-transaction risk assessments, assigns appropriate margin ratios to clients, monitors clients' margin risk levels in real time and promptly implements mandatory liquidation to reduce risks in client accounts.

For the risk management business, the Company has established a client assessment system in accordance with regulatory requirements, conducts due diligence on investors and only conducts transactions with clients that meet the relevant requirements. Meanwhile, depending on investors' participation in OTC derivatives transactions, clients are required to provide a certain amount of performance bond to reduce the probability of client default.

For the wealth management business, the Company has established a sound corporate governance structure and internal control system to comprehensively and effectively control risks. It supervises the implementation of the Company's compliance management system, risk control system and internal audit system, and implements access management and transaction limit management.

For the overseas financial services business, the Company has established and maintains an effective credit assessment system to evaluate the reliability of clients and trading counterparties. In respect of clients, the Company effectively assesses their credit status by investigating their financial condition, investment objectives, investment history, trading frequency and risk tolerance. In respect of trading counterparties, the Company assesses and understands their credit status by monitoring their financial condition, negative news reports, share prices and other relevant matters.

(3) Operational Risk

For the futures brokerage business, the Company has established a compliant, applicable and clear system for daily operations, formulated stringent business processes and divisions of authority, improved its business systems, adopted dual verification for important positions to reduce the probability of human error, and established a sound performance evaluation mechanism. Meanwhile, the Company mitigates operational risk arising from errors in trading and risk control systems by establishing contingency plans, conducting system tests and strengthening the development of emergency backup channels.

For the risk management business, the Company has established stringent internal systems and processes and formulated detailed, specific and standardized operating procedures and key risk indicators. Employees are provided with stringent training on operating procedures before assuming their positions, and their professional capabilities are continuously enhanced, thereby keeping potential losses arising from operational risk at a relatively low level.

For the wealth management business, the Company has established an internal control system comprising the Company's basic systems, departmental management measures and job-specific operating rules. It has also formulated various business guidelines and corresponding working papers to clearly identify operational risk points in each business, enabling employees to follow established rules when conducting wealth management business and minimizing operational risk to the greatest extent possible.

For the overseas financial services business, the Company achieves effective supervision among departments by separating front – and back-office positions. It appoints suitable personnel by improving its employee recruitment and training system, strengthens and enhances employees' professional ethics through training, and ensures their compliance with regulatory rules, thereby preventing operational risk.

(4) Compliance Risk

In response to compliance risk, the Company continuously establishes and improves its overall internal control system in accordance with the regulatory requirements and rules applicable to different businesses. The system covers various business processes, including financial management, operational management, investor suitability and anti-money laundering, to ensure that the Company's businesses comply with regulatory requirements.

In terms of specific measures, the Company establishes risk controls over its business processes by adopting modern management systems, such as the OA office system, trading risk control system and anti-money laundering system, to ensure that its various businesses are conducted in compliance with applicable requirements.

Meanwhile, the Company uses modern information technology to conduct full-process compliance risk monitoring over its operational and management activities. Through the establishment of a modern OA management system, the Company applies process-based management and hierarchical authorization to various matters arising from its daily operations and strengthens legal and compliance reviews of matters involving personnel, fund allocation and contracts. The Company reviews the compliance of client account opening and investor suitability through its account-opening system; controls and reviews client margins, client trading risks and trading results through its futures trading management system; monitors client risks and abnormal trading activities in real time through its futures risk monitoring system and adopts relevant control measures; monitors suspicious transactions for anti-money laundering purposes through its anti-money laundering monitoring system; and monitors client funds, bank accounts and other matters through its financial accounting system. Through various types of compliance risk monitoring, the Company achieves process monitoring of its overall operations and ensures that it continues to operate in compliance with laws and regulations.

(5) Information System Risk

In response to information system risk, the Company constructs its IT systems with reference to industry norms and standards. In terms of computer room construction, the Company has multiple central computer rooms in Shanghai and Hangzhou, as well as hosted computer rooms at various exchanges, including the SHFE, CFFEX, ZCE, DCE, GFEX, SSE and SZSE. In terms of trading systems, the Company uses the comprehensive trading platform of the SHFE as its primary trading system and is also equipped with trading systems provided by multiple software vendors to provide personalized services to clients. In terms of disaster recovery, a complete production backup environment for trading operations has been established at the Binjiang computer room in Hangzhou, with data synchronized in real time. A heterogeneous trading system capable of supporting all clients has also been established to guard against risks arising from a single software vendor.

Meanwhile, the Company mitigates risks arising from errors in trading and risk control systems by establishing contingency plans, conducting system tests and strengthening the development of emergency backup channels.

VII. MAJOR INVESTMENT AND FINANCING

(I) Equity Financing

During the Reporting Period, the Company did not conduct any equity financing.

(II) Use of Proceeds

As approved by the CSRC, the Company was listed on the Main Board of the Stock Exchange on December 22, 2025 and issued 107,659,000 H Shares under the global offering. The number of shares under the Hong Kong public offering was 16,148,500 H Shares, representing 15% of the total number of offer shares under the global offering, while the number of offer shares under the international placing was 91,510,500 H Shares, representing 85% of the total number of offer shares under the global offering. The offer price was HKD12.00 per H Share, raising total proceeds of approximately HKD1,291.91 million. The net proceeds of the Company amounted to approximately HKD1,202.95 million, after deducting the Group's underwriting fees and all related expenses. According to the use of proceeds from the H Share issuance as set out in the Prospectus, the Company intended to allocate all net proceeds to HGNH International, to enhance the capital base of our overseas subsidiaries in Hong Kong in China, the United Kingdom, the United States and Singapore. This initiative aims to expand our overseas operations, optimize our overseas business structure, and enhance our competitiveness and risk resilience in global markets.

As at the end of the Reporting Period, the status of the aforementioned proceeds from the global offering was as follows:

	Approximate percentage of the total net proceeds	Net proceeds from the global offering (HKD million)	Cumulative amount of proceeds utilized (HKD million)	Amount available for use as at the end of the Reporting Period (HKD million)	Expected time to utilize the remaining net proceeds in full
(1) Increase the capital base of the Hong Kong operations and establish a subsidiary in Malaysia	30%	360.89	250.00	110.89	By the end of 2029
(2) Increase the capital base of the operations in the United Kingdom	30%	360.89	164.30	196.59	By the end of 2026
(3) Increase the capital base of the operations in the United States	20%	240.59	156.12	84.47	By the end of 2026
(4) Increase the capital base of the Singapore operations	10%	120.29	120.29	0	
(5) General corporate purposes and supplement the working capital of overseas operations	10%	120.29	89.29	31.00	By the end of 2029
Total	**100%**	**1,202.95**	**780.00**	**422.95**	

(III) Bond Financing

For details of the debt financing during the Reporting Period, please refer to the section headed "Information on Bonds" in this interim report.

(IV) Significant Investments

As of the end of the Reporting Period, the Group did not have any significant investments required to be disclosed pursuant to paragraphs 32(4) and 32(4A) of Appendix D2 to the Listing Rules.

(V) Future Plans for Material Investments or Purchase of Capital Assets

Save as disclosed in the Prospectus and the section headed "Use of Proceeds" in this report, as at the end of the Reporting Period, the Company has no plans for material investments or purchase of capital assets in the future.

VIII. DISPOSAL, ACQUISITION, SUBSTITUTION AND SPIN-OFF OF MATERIAL ASSETS OF THE COMPANY, AND REORGANIZATION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, there were no material acquisitions or disposals involving the Company, its subsidiaries, associates or joint ventures.

IX. STAFF, REMUNERATION POLICIES AND TRAINING

As of the end of the Reporting Period, the Group had a total of 1,062 employees. During the Reporting Period, adhering to a talent-first development philosophy and in accordance with its overall annual training plan, the Company continued to refine its talent development system in line with its strategic development directions and provided high-quality learning and development resources tailored to the development needs of employees in different positions. The Company continuously enriched its portfolio of on-the-job training programs and established integrated development pathways covering skills enhancement, career development and management advancement, thereby comprehensively enhancing the overall capabilities of its employees and continuing to foster a positive talent ecosystem in which employees and the Company grow and develop together.

On March 27, 2026, the Company disclosed the Administrative Measures for the Remuneration of Directors and Senior Management, further improving the Company's performance appraisal and remuneration management system. During the Reporting Period, there were no material changes in the Company's remuneration policies or training plans. For details, please refer to the section headed "Information on Directors, Senior Management and Staff" in the Company's 2025 Annual Report.

CORPORATE GOVERNANCE, ENVIRONMENTAL AND SOCIAL MATTERS

I. OVERVIEW OF CORPORATE GOVERNANCE

As an A+H listed public company, the Company has always strictly complied with the requirements set forth in the laws, regulations and normative documents of the PRC and the overseas jurisdiction where the Shares of the Company are listed, and has continuously maintained and enhanced its market image with a focus on standardized operations as its core. During the Reporting Period, the Company strictly complied with the Company Law, the Securities Law, the Futures and Derivatives Law, the Supervision and Administration Measures of Futures Companies, the Code of Governance for Listed Companies and the Corporate Governance Code in Appendix C1 to the Listing Rules, together with the requirements of the Articles of Association, and continuously improved its corporate governance structure, compliance risk control system and internal control management system. At present, the Company has established a governance structure in which the powers and responsibilities of the Shareholders' Meeting, the Board and the management are separated and mutually balanced. Each governing body performs its duties in a standardized manner within its established scope of responsibilities and authority and assumes its respective responsibilities, thereby providing a solid safeguard for the stability of the Company's business development and the standardization of its operations. During the Reporting Period, the convening, holding and voting procedures of the Shareholders' Meetings and Board meetings of the Company were legal and compliant; information disclosures were true, accurate, timely and complete; investor relations management was efficient and pragmatic; and the overall corporate governance system was scientific and rigorous and operated in a standardized manner. Meanwhile, during the Reporting Period, the Company fully complied with the requirements of the code provisions set out in Part 2 of Appendix C1 to the Listing Rules.

II. DEALING IN SECURITIES BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules in respect of securities transactions conducted by the Directors and employees who possess inside information relating to the securities of the Group or the Company. Having made specific enquiries to all Directors, all Directors confirmed that they had fully complied with the standards set out in the Model Code during the Reporting Period.

III. PROFIT DISTRIBUTION PLAN OR PLAN FOR CONVERSION OF CAPITAL RESERVE INTO SHARE CAPITAL

The Company has no profit distribution plan or plan for conversion of capital reserve into share capital for the first half of 2026. The Board considers it appropriate to retain earnings to support the Company's business growth and overseas expansion.

IV. SPECIFIC MEASURES TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND PROMOTE RURAL REVITALIZATION

1. Rural Revitalization Plan

Against the backdrop of the nationwide deployment and implementation of the rural revitalization strategy and with the goal of advancing agricultural and rural modernization, the Company actively responded to and thoroughly implemented General Secretary Xi Jinping's important instructions on work relating to agriculture, rural areas and farmers, as well as the relevant decisions and arrangements of the CPC Central Committee and the State Council. The Company established a dedicated Rural Revitalization Leading Group headed by Chairman Luo Xufeng. Leveraging the characteristics of the futures industry and its own resource advantages, the Company regards rural revitalization as an important political task and social responsibility and has implemented various support initiatives in a systematic manner. Adhering to its value philosophy of "benevolent business and good deeds", the Company supports the improvement and upgrading of rural revitalization industries through multiple approaches. It has continued to deepen its distinctive "Insurance + Futures" financial services and actively participated in rural revitalization through diversified initiatives including industrial support, educational support and consumption support, leveraging its professional financial capabilities to safeguard the stable and healthy development of agriculture-related industries.

Overall objective:

Taking into account the Company's actual circumstances, the Company will allocate resources in a reasonable manner and concentrate its efforts on identifying suitable local industrial projects or providing services in support of such projects in less-developed regions, ensuring that key projects achieve their intended functions and effectively contributing to economic development and improvements in people's livelihoods in such regions.

Principal tasks:

(1) Fully leverage the Company's professional financial capabilities and advantages to provide comprehensive financial services.

(2) Gain an in-depth understanding of the actual circumstances of enterprises in less-developed regions, improve their development plans in accordance with local conditions, leverage the Company's professional strengths and serve the real economy through the capital markets.

(3) Based on the resources and industrial foundations of the counties and townships paired with the Company for assistance, deepen cooperation between the parties, assist them in developing industries with local characteristics and achieve tangible results through industry-driven assistance.

(4) Continue to increase educational support and investment in less-developed regions.

(5) Explore new rural revitalization projects in light of the Company's actual circumstances.

2. Overview of Rural Revitalization Work

(1) Industrial Assistance

Since the beginning of 2026, the Company has continued to leverage its professional strengths as a financial institution and cooperate with various parties to actively carry out industrial assistance through "Insurance + Futures" and other models. By accurately identifying local needs and developing innovative solutions, the Company sought to further bring into play the role of the futures market in serving industrial development. The Company continued to broaden and deepen its "Insurance + Futures" services. In the first half of 2026, the Company completed a total of 36 "Insurance + Futures" projects, with a total value insured (notional principal) of nearly RMB245 million.

(2) Education Assistance

The Company seeks to revitalize rural education and contribute to rural revitalization. To provide exceptionally outstanding students facing severe financial hardship in ethnic minority regions and impoverished mountainous areas in China with access to better educational opportunities, the Company took the lead in initiating the establishment of the Hangzhou Ganlin Student Aid Foundation. Since 2017, Ganlin's education assistance initiatives have extended to Ningde in Fujian; Sanmenxia and Zhumadian in Henan; Taijiang and Xingren in Guizhou; Dali and Nujiang in Yunnan; Yulin in Shaanxi; Enshi in Hubei; Longnan in Gansu; and Xining in Qinghai, helping more than 1,000 students from disadvantaged backgrounds successfully complete their studies and embark on a new journey in life.

The "Ganlin Class" is the principal vehicle through which Nanhua Futures provides education assistance and a vivid embodiment of its philosophy of "Benevolent Business, Charitable Deeds". In April 2026, the Company conducted its spring return visit to the "Nanhua Ganlin Class" in Xinjiang, further strengthening the bridge of charitable care and enabling every act of heartfelt support to accompany Ganlin students as they pursue educational opportunities beyond their home communities and realize their aspirations.

(3) Consumption Assistance

Consumption assistance is an important means of consolidating the achievements of poverty alleviation and contributing to rural revitalization. To implement the rural revitalization strategies and arrangements of the Party and the State, promote effective linkage between consolidating and expanding the achievements of poverty alleviation and rural revitalization, and contribute to the comprehensive advancement of rural revitalization, the Company purchased local Dragon Boat Festival gift sets from Shuangjiang Lahu, Va, Blang and Dai Autonomous County, Lincang City, Yunnan Province, for an aggregate amount of RMB154,100, thereby providing strong support for the development of local industries with distinctive characteristics.

(4) Others

In the first half of 2026, the Company invested RMB25,000 in other assistance projects and actively advanced ecological revitalization assistance and cultural tourism and creative industry cooperation in Antu County, Jilin, with a view to deepening counterpart cooperation between Hangzhou and Changbai Mountain, supporting the upgrading and improvement of the cultural tourism industry in Changbai Mountain and promoting coordinated development between the two regions.

3. Subsequent Rural Revitalization Work Plan

In the second half of 2026, the Company will continue to strengthen the leadership of Party building and advance comprehensive rural revitalization. It will guide and coordinate the provision of assistance by the Company in relation to industries, education, consumption, culture and infrastructure development in less-developed regions. The Company will continue to be guided by the objectives of consolidating the achievements of poverty alleviation and contributing to rural revitalization and will steadily advance its rural revitalization initiatives. It will strictly prevent regions that have been lifted out of poverty from falling back into poverty and provide practical support for the implementation of the rural revitalization strategy. The Company will carry out work in the following four areas:

In terms of industrial assistance, the Company will deepen the application of the "Insurance + Futures" model, focus on serving "agriculture, rural areas and farmers", and leverage its professional strengths to enhance rural financial services. It will assist rural enterprises in conducting risk management and reducing production and operating risks, thereby ensuring that measures serving agriculture, rural areas and farmers are effectively implemented. In terms of education assistance, the Company will continue to support the development of education by providing educational funding, establishing scholarships and adopting other forms of assistance. In terms of consumption assistance, the Company will continue to carry out consumption assistance projects in light of actual circumstances and help increase income in certain regions through procurement. In terms of knowledge assistance, the Company will continue to organize various forms of knowledge assistance activities. It will actively arrange for professionals to provide training and guidance on futures and derivatives in relevant regions and assist agriculture-related enterprises in conducting agricultural risk management.

I. PERFORMANCE OF UNDERTAKINGS

The undertakings made by the Company's actual controllers, shareholders, related parties, acquirers, the Company and other relevant undertaking parties during the Reporting Period or that continued into the Reporting Period

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
Undertakings in connection with the Initial Public Offering of the A Shares	Resolution of competition conflict	Hengdian Holdings	(1) Hengdian Holdings shall strictly disclose information in respect of itself and other enterprises directly or indirectly controlled by it in accordance with the information disclosure requirements for futures companies and connected persons of listed companies. (2) Neither Hengdian Holdings nor any other enterprise controlled by it is currently engaged in, either alone or jointly with others, or operating or managing for any other person, any business that is the same as or similar to the business of Nanhua Futures. There is no horizontal competition between Hengdian Holdings and Nanhua Futures. (3) For so long as Hengdian Holdings directly or indirectly holds shares in Nanhua Futures, Hengdian Holdings and any other enterprise controlled by it shall not, directly or indirectly, engage in any business that is the same as, similar to, or constitutes substantive competition with the business scope of Nanhua Futures by means of equity participation, holding control, association, joint venture, cooperation or any other means. If any business opportunity obtained by Hengdian Holdings or any enterprise controlled by it competes or may compete with the principal business of Nanhua Futures, Hengdian Holdings shall immediately notify Nanhua Futures and shall use its best endeavours to offer such business opportunity to Nanhua Futures so as to ensure that the interests of Nanhua Futures and all its shareholders are not prejudiced. (4) If Hengdian Holdings breaches any of the foregoing undertakings, all relevant proceeds derived therefrom shall belong to Nanhua Futures. If any loss is caused to Nanhua Futures and its other shareholders as a result, Hengdian Holdings shall promptly and fully compensate Nanhua Futures and its other shareholders for all losses incurred thereby. If Hengdian Holdings fails to perform the foregoing undertakings, Nanhua Futures shall have the right to withhold cash dividends payable to Hengdian Holdings until Hengdian Holdings performs such undertakings.	For so long as it directly or indirectly holds shares in Nanhua Futures	Yes	For so long as it directly or indirectly holds shares in Nanhua Futures	Yes	N/A	N/A

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
	Resolution of competition conflict	Enterprise Association	(1) Neither the Enterprise Association nor any other enterprise controlled by it is currently engaged in, either alone or jointly with others, or operating or managing for any other person, any business that is the same as or similar to the business of Nanhua Futures. There is no horizontal competition between the Enterprise Association and Nanhua Futures. (2) For so long as the Enterprise Association directly or indirectly holds shares in Nanhua Futures, the Enterprise Association and any other enterprise controlled by it shall not, directly or indirectly, engage in any business that is the same as, similar to, or constitutes substantive competition with the business scope of Nanhua Futures by means of equity participation, holding control, association, joint venture, cooperation or any other means. If any business opportunity obtained by the Enterprise Association or any enterprise controlled by it competes or may compete with the principal business of Nanhua Futures, the Enterprise Association shall immediately notify Nanhua Futures and use its best endeavours to offer such business opportunity to Nanhua Futures so as to ensure that the interests of Nanhua Futures and all its shareholders are not prejudiced. (3) If the Enterprise Association breaches any of the foregoing undertakings, all relevant proceeds derived therefrom shall belong to Nanhua Futures. If any loss is caused to Nanhua Futures and its other shareholders as a result, the Enterprise Association shall promptly and fully compensate Nanhua Futures and its other shareholders for all losses incurred thereby. If the Enterprise Association fails to perform the foregoing undertakings, Nanhua Futures shall have the right to withhold cash dividends payable to Hengdian Holdings until the Enterprise Association performs such undertakings.	For so long as it directly or indirectly holds shares in Nanhua Futures	Yes	For so long as it directly or indirectly holds shares in Nanhua Futures	Yes	N/A	N/A

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
	Others	Directors, supervisors and senior management	During their term of office as Directors, senior management or supervisors of Nanhua Futures, they shall not transfer more than 25% of the total Shares of the Company held by them each year. They shall not transfer any Shares of the Company held by them within six months after resignation.	Long-term valid	No	Long-term valid	Yes	N/A	N/A
Undertakings in connection with the Initial Public Offering of the H Shares	Undertakings given to the Stock Exchange pursuant to the Listing Rules	The Company	Except in certain circumstances prescribed by Rule 10.08 of the Listing Rules or pursuant to the global offering and the over-allotment option, no further Shares or securities convertible into equity securities of the Company, whether or not of a class already listed, may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, sale or transfer out of treasury within six months from the Listing Date, whether or not such issue of Shares or securities, or sale or transfer of treasury Shares, will be completed within six months from the Listing Date.	Within six months from the Listing Date	Yes	Within six months from the Listing Date	Yes	N/A	N/A

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
	Undertakings given to the Stock Exchange pursuant to the Listing Rules	Controlling Shareholders	Pursuant to Rule 10.07 of the Listing Rules, our Controlling Shareholders have undertaken to the Stock Exchange and the Company that, except pursuant to the global offering, including the exercise of the over-allotment option, they will not, and will procure that any other registered holder, if any, of the Shares in which any of them has a beneficial interest will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the Listing Rules: (i) during the period commencing on the date of the Prospectus and ending on the date which is six months from the Listing Date, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which any of them is shown by the Prospectus to be the beneficial owner (the "Relevant Shares"); and (ii) during the six-month period commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be a group of Controlling Shareholders of the Company for the purposes of the Listing Rules.	For so long as they directly or indirectly hold Shares in Nanhua Futures	Yes	For so long as they directly or indirectly hold Shares in Nanhua Futures	Yes	N/A	N/A

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
			Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, our Controlling Shareholders have further undertaken to the Stock Exchange and the Company that, during the period commencing on the date of the Prospectus and ending on the date which is 12 months from the Listing Date, they will: (i) when they pledge or charge any Shares or other securities of the Company beneficially owned by them in favour of an authorized institution, as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), in reliance on Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and (ii) when they receive indications, whether verbal or written, from the pledgee or chargee that any of the pledged or charged Shares or other securities of the Company will be disposed of, immediately inform the Company of such indications. The Company will inform the Stock Exchange as soon as it has been informed by our Controlling Shareholders of the matters referred to in paragraphs (i) and (ii) above, if any, and will disclose such matters by way of an announcement in accordance with the then applicable requirements of the Listing Rules.						

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
	Undertakings to the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement	The Company	Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the sole sponsor, the sponsor-overall coordinator, the overall coordinators, the joint global coordinators, the joint bookrunners, the joint lead managers, the capital market intermediaries and the Hong Kong Underwriters that, except pursuant to the global offering, including pursuant to the over-allotment option, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "First Six-Month Period"), we will not, without the prior written consent of the sole sponsor and the overall coordinators, for themselves and on behalf of the Hong Kong Underwriters, and unless in compliance with the Listing Rules: (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance, as defined in the Hong Kong Underwriting Agreement, over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing, including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any share capital or other securities of the Company, as applicable, or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or	The First Six-Month Period and the Second Six-Month Period commencing from the Listing Date	Yes	The First Six-Month Period and the Second Six-Month Period commencing from the Listing Date	Yes	N/A	N/A

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
			(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership, whether legal or beneficial, of the Shares or any other securities of the Company, or any interest in any of the foregoing, including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares; or (c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or (d) offer or agree to do any of the foregoing specified in paragraph (a), (b) or (c) above or announce any intention to do so,						

Undertaking background	Type of the undertaking	Undertaking party	Content of the undertaking	Date of undertakings	Whether there is a performance period	Term of undertakings	Whether timely and strictly performed	Specific reasons for non-performance if not timely performed	Follow-up plan for failure to timely perform
			in each case, whether any of the foregoing transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of share capital or such other securities, in cash or otherwise, whether or not the issue of such share capital or other securities will be completed within the First Six-Month Period. We have further agreed that, in the event that during the six-month period commencing on the date on which the First Six-Month Period expires (the "Second Six-Month Period"), the Company is permitted to enter into any of the transactions specified in paragraph (a), (b) or (c) above or offers to, agrees to or announces any intention to effect any such transaction, the Company will take all reasonable steps to ensure that such issue or disposal, and any other act of the Company, will not create a disorderly or false market for any Shares or other securities of the Company.						

There was no failure to timely comply with the above undertakings. The Company had no other outstanding public undertakings made by its shareholders and related/connected parties.

II. MISAPPROPRIATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES ON A NON-OPERATING BASIS

During the Reporting Period, there was no misappropriation of funds of the Company by the Controlling Shareholders or other related parties for non-operating purposes.

III. PROVISION OF GUARANTEES IN VIOLATION OF REGULATIONS

During the Reporting Period, the Company did not provide any guarantees in violation of regulations.

IV. AUDIT OR REVIEW OF THE 2026 INTERIM REPORT

The financial information contained in the Company's 2026 Interim Report is unaudited. The Audit Committee of the Board of the Company has reviewed the unaudited interim results and 2026 Interim Report of the Company for the six months from January 1, 2026 to June 30, 2026 and raised no objection to the accounting policies and accounting practices adopted by the Company.

V. MATTERS RELATING TO BANKRUPTCY REORGANIZATION

During the Reporting Period, the Company had no matters relating to bankruptcy reorganization.

VI. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Company was not involved in any material litigation or arbitration.

VII. PUNISHMENT AND RECTIFICATION OF THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT AND LARGEST SHAREHOLDER

On April 1, 2026, the Zhejiang Regulatory Bureau of the CSRC issued the Decision on Taking the Measure of Issuing a Warning Letter to Nanhua Futures and the Decision on Taking the Measure of Issuing a Warning Letter to Jia Xiaolong to the Company and the general manager of the Company, respectively. The aforesaid decisions found that the Company had certain issues, including the ineffective implementation of internal control systems relating to procurement, which resulted in losses, and inadequate management of the professional conduct of certain employees, in violation of Article 56 of the Measures for the Supervision and Administration of Futures Companies (CSRC Order No. 155). The Company and its branches immediately conducted self-inspections and adopted measures to carry out rectification in various aspects, including improving systems, standardizing procedures, strengthening employee management, and enhancing compliance inspections and accountability, and have submitted a rectification report to the Zhejiang Regulatory Bureau of the CSRC. The Zhejiang Regulatory Bureau of the CSRC did not raise any further questions or take any additional measures in relation to this matter. The aforesaid matter did not have a material adverse effect on the Group's financial position or results for the Reporting Period.

VIII. DESCRIPTION OF THE INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company, its Controlling Shareholder and de facto controller maintained good integrity, and there was no failure to comply with any effective court judgment or to repay any substantial debt when due.

IX. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

The Company conducted related party/connected transactions in strict accordance with the relevant requirements, and its related party/connected transactions followed the principles of fairness, openness and impartiality.

During the Reporting Period, the Company's daily related party transactions were conducted in accordance with the Estimated Daily Related Party Transactions for 2026 considered and approved at the Company's 2025 annual general meeting. For details, please refer to Note (45) to the financial statements in this interim report.

On March 27, 2026, taking into account the increased demand for the procurement of goods and services from Hengdian Holdings Group as a result of the expansion of the Group's business, the existing annual caps under the procurement framework agreement dated December 10, 2025 (the "**Procurement Framework Agreement**") were expected to be insufficient to meet the Group's business needs. Accordingly, the Company and Hengdian Holdings entered into a supplemental agreement on March 27, 2026 to revise the annual caps for the continuing connected transactions under the Procurement Framework Agreement for the two years ending December 31, 2027. For details, please refer to the announcement of the Company dated March 27, 2026.

Save as disclosed above, during the Reporting Period, the Group did not conduct any non-exempt connected transactions or continuing connected transactions. The Company's connected transactions and continuing connected transactions complied with the disclosure requirements under Chapter 14A of the Listing Rules.

X. MATERIAL CONTRACTS AND THEIR PERFORMANCE

The Company did not enter into any other material contracts during the Reporting Period.

XI. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On March 27, 2026, in order to reflect the changes in the registered capital and share capital of the Company, further comply with the latest requirements of the Company Law, the Securities Law, the Guidelines for Articles of Association of Listed Companies, the Listing Rules and other relevant laws and regulations, and taking into account the actual circumstances of the Company, the Board proposed amendments to the Articles of Association. The amendments to the Articles of Association were approved by the Shareholders by way of a special resolution at the 2025 annual general meeting held on June 15, 2026. For details, please refer to the announcement of the Company dated March 27, 2026, the circular of the Company dated May 22, 2026 and the Articles of Association dated June 15, 2026.

XII. CHANGE IN ACCOUNTING ESTIMATE

In order to further improve the Company's risk management system for accounts receivable and to reflect the Company's financial position and operating results more objectively and fairly, the Company made appropriate adjustments to the credit risk portfolio categories for monetary margin receivables and settlement reserve fund in accordance with the relevant provisions of Accounting Standards for Business Enterprises No. 28 – Accounting Policies, Changes in Accounting Estimates and Correction of Errors. The change in accounting estimate was implemented with effect from January 1, 2026. For details of the change in accounting estimate, please refer to the announcement of the Company dated March 27, 2026.

XIII. CHANGE OF AUDITORS

In accordance with the provisions of the Company Law, the Securities Law, the Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the SSE – Standard Operation, the Articles of Association and other relevant laws, regulations and regulatory documents, and to further meet the needs of the Company's international development and better address the needs of both domestic and overseas investors, the Board and the Audit Committee considered and approved on March 27, 2026 the proposed appointment of Ernst & Young Hua Ming LLP and Ernst & Young as the Company's domestic and overseas auditors for 2026, respectively. The change of auditors was approved by the Shareholders by way of an ordinary resolution at the 2025 annual general meeting held on June 15, 2026. For details, please refer to the announcement of the Company dated March 27, 2026 and the circular of the Company dated May 22, 2026.

XIV. INTERIM RESULTS

The interim results of the Group for the six months ended June 30, 2026 were published on the website of HKEXnews (www.hkexnews.hk) and the website of the Company (www.nanhua.net) on August 17, 2026.

XV. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company, including any sale of treasury shares, during the Reporting Period.

As at the end of the Reporting Period, the Company held 5,681,234 A Shares as treasury shares, which are intended to be used for the subsequent implementation of an employee share ownership plan.

XVI. CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

On January 30, 2026, Dr. Xu Wencai and Mr. Li Baoping, Directors of the Company, resigned as directors of Nanhua Capital, a subsidiary of the Company.

From the date of the Company's 2025 annual report up to the end of the Reporting Period, save as disclosed above, there was no other information relating to the Directors and chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

XVII. DISCLOSURE OF OTHER INFORMATION

Save as disclosed in this interim report, there were no material changes in the other matters required to be discussed under paragraph 32 of Appendix D2 to the Listing Rules as compared with the information disclosed in the 2025 annual report.

XVIII. EVENTS AFTER THE REPORTING PERIOD

The Company convened the 2026 first extraordinary general meeting on July 16, 2026, at which the resolution on considering and approving the proposed grant of a general mandate to the Board of the Company to repurchase H Shares of the Company was duly passed as a special resolution.

On August 10, 2026, the Company implemented a capitalization issue and distributed the 2025 cash dividends. Under the capitalization issue, 4.50 shares were distributed for every 10 existing shares held by the Shareholders, involving a total of 48,446,550 H Shares and 271,973,097 A Shares. Upon completion of the capitalization issue, the total number of issued Shares of the Company increased from 717,724,893 Shares to 1,038,144,540 Shares. The Company also completed the distribution of the 2025 cash dividends of RMB0.69 per 10 Shares to all Shareholders, amounting to RMB49.13 million in total.

Save as disclosed above, from the end of the Reporting Period up to the date of disclosure of this report, there had been no material events affecting the Group.

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHARES

Pursuant to the 2025 profit distribution plan and capital reserve capitalization plan, which were approved by way of special resolution at the Company's 2025 annual general meeting held on June 15, 2026, the Company implemented the capitalization issue on August 10, 2026 and distributed 4.50 shares for every 10 existing shares to the Shareholders by way of capitalization of capital reserve. A total of 48,446,550 H Shares and 271,973,097 A Shares were issued pursuant to the capital reserve conversion. Upon completion of the conversion, the total number of issued Shares of the Company increased from 717,724,893 Shares to 1,038,144,540 Shares.

II. TOTAL NUMBER OF SHAREHOLDERS

As at the end of the Reporting Period, the Company had a total of 28,091 Shareholders, including 28,081 A Shareholders and 10 registered H Shareholders.

III. SHAREHOLDINGS OF THE TOP TEN SHAREHOLDERS

As at the end of the Reporting Period, the shareholdings of the top ten Shareholders of the Company were as follows:

Unit: Share

Shareholdings of the top ten Shareholders (excluding Shares lent through securities lending and refinancing)							
Name of Shareholder (Full Name)	Increase and decrease during the Reporting Period	Number of Shares held at the end of the Reporting Period	Percentage (%)	Number of Shares with selling restrictions held	Shares pledged, marked or frozen: Status of Shares	Shares pledged, marked or frozen: Number	Nature of Shareholder
Hengdian Group Holdings Co., Limited	–	425,120,900	59.23%	–	Nil	–	Domestic non-state-owned legal person
HKSCC Nominees Limited	-161	107,656,339	15.00%	–	Unknown	–	Foreign legal person
Dongyang Henghua Investment Partnership (Limited Partnership)	–	24,480,000	3.41%	–	Nil	–	Domestic non-state-owned legal person
Zhejiang Hengdian Import and Export Co., Ltd.	–	10,000,000	1.39%	–	Nil	–	Domestic non-state-owned legal person
Hengdian Group DMEGC Magnetics Co., Ltd.	–	10,000,000	1.39%	–	Nil	–	Domestic non-state-owned legal person
Yang Relie (楊熱烈)	169,375	5,949,200	0.83%	–	Nil	–	Domestic natural person
Hong Kong Securities Clearing Company Limited	-435,841	3,633,430	0.51%	–	Nil	–	Other
National Social Security Fund 413 Portfolio	30,000	2,910,000	0.41%	–	Nil	–	Unknown
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 Shanghai	226,500	1,312,200	0.18%	–	Nil	–	Unknown
Agricultural Bank of China Limited – China Post RuiXin Enhanced Bond Securities Investment Fund	1,200,000	1,200,000	0.17%	–	Nil	–	Unknown

Unit: Share

Shareholdings of the top ten holders of Shares without selling restrictions (excluding Shares lent through securities lending and refinancing)

Name of Shareholder	Number of tradable Shares held without selling restrictions	Class and number of Shares: Class	Number
Hengdian Group Holdings Co., Limited	425,120,900	RMB ordinary Shares	425,120,900
HKSCC Nominees Limited	107,656,339	Overseas listed foreign Shares	107,656,339
Dongyang Henghua Investment Partnership (Limited Partnership)	24,480,000	RMB ordinary Shares	24,480,000
Zhejiang Hengdian Import and Export Co., Ltd.	10,000,000	RMB ordinary Shares	10,000,000
Hengdian Group DMEGC Magnetics Co., Ltd.	10,000,000	RMB ordinary Shares	10,000,000
Yang Relie (楊熱烈)	5,949,200	RMB ordinary Shares	5,949,200
Hong Kong Securities Clearing Company Limited	3,633,430	RMB ordinary Shares	3,633,430
National Social Security Fund 413 Portfolio	2,910,000	RMB ordinary Shares	2,910,000
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L – CT001 Shanghai	1,312,200	RMB ordinary Shares	1,312,200
Agricultural Bank of China Limited – China Post RuiXin Enhanced Bond Securities Investment Fund	1,200,000	RMB ordinary Shares	1,200,000

Explanation on the repurchase special account among the top ten Shareholders	As at the end of the Reporting Period, the repurchase special account of Nanhua Futures Co., Ltd. held 5,681,234 Shares of the Company, accounting for 0.79% of the Company's total share capital. Such Shares do not carry voting rights at Shareholders' Meetings or rights to profit distributions, pledges or other rights.
Explanation on the above Shareholders' entrusting voting rights, entrusted voting rights and waiver of voting rights	–
Statement regarding the related relationships or acting-in-concert arrangements among the above Shareholders	Hengdian Holdings is the Controlling Shareholder of the Company. Dongyang Henghua is the shareholding platform for the Company's management; Hengdian Holdings serves as the general partner and the executive partner of Dongyang Henghua. Hengdian Holdings directly holds 49.999998% of the equity interests in Hengdian DMEGC Magnetics. Hengdian Holdings directly and indirectly holds 75.00% of the equity interests in Hengdian Import and Export. Save for the foregoing relationships, it is not known whether there are any related relationships or acting-in-concert arrangements among the other top ten Shareholders.
Explanation on the preference Shareholders with restored voting rights and the number of Shares held	–

Notes:

1. HKSCC Nominees Limited is the nominee holder of the Company's H Shares held by non-registered holders.

2. Hong Kong Securities Clearing Company Limited holds the Shares for non-registered holders under Shanghai Stock Connect.

3. The nature of an A Shareholder refers to the nature of the account registered by the Shareholder with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

IV. DISCLOSURE OF INTERESTS

(I) Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and Any of Its Associated Corporations

As at the end of the Reporting Period, the following persons had interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were recorded in the register required to be kept pursuant to section 352 of the Securities and Futures Ordinance or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules.

Interests in Associated Corporation of the Company

Name	Name of associated corporation	Nature of interest	Committed capital contribution in the associated corporation (RMB million)	Percentage of equity holding in the associated corporation (Note 1)
Luo Xufeng	Dongyang Henghua	Beneficial owner	15.9	21.65%
Jia Xiaolong	Dongyang Henghua	Beneficial owner	0.9	1.23%

Note 1: The percentage is calculated based on the total committed capital contribution of Dongyang Henghua as at the end of the Reporting Period, being RMB73.44 million.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors or the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which he or she was taken or deemed to have under such provisions of the Securities and Futures Ordinance), or recorded in the register required to be kept pursuant to section 352 of the Securities and Futures Ordinance, or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules.

(II) Interests and Short Positions Held by Substantial Shareholders in the Shares and Underlying Shares of the Company

Pursuant to section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), substantial Shareholders of the Company are required to disclose their interests and make further disclosure when their interests change by the prescribed percentage. The information in the table below is extracted from the latest information on interests disclosed by the Company's substantial Shareholders on the HKEXnews website of Hong Kong Exchanges and Clearing Limited as at the end of the Reporting Period. As changes in their interests are only required to be disclosed when the prescribed percentage threshold is reached, the information set out in the table below may be inconsistent with their actual interests held as at the end of the Reporting Period.

Name of Shareholder	Capacity	Class of Shares	Number of Shares Held (Shares)/ Nature of Interest	Percentage of the Company's Issued A Shares/H Shares as at June 30, 2026	Percentage of the Company's Total Issued Shares as at June 30, 2026
Hengdian Holdings(1)	Beneficial owner	A Shares	425,120,900/Long	69.68%	59.23%
	Interest in controlled corporation	A Shares	44,480,000/Long	7.29%	6.20%
Dongyang Hengdian Association(2)	Interest in controlled corporation	A Shares	469,600,900/Long	76.98%	65.43%
Hangzhou CIEC Group Co., Ltd.	Interest in controlled corporation	H Shares	32,427,500/Long	30.12%	4.52%
Hangzhou Cogeneration (Hong Kong) Co., Limited	Beneficial owner	H Shares	32,427,500/Long	30.12%	4.52%
Hangzhou Industrial Investment Group Co., Ltd.	Interest in controlled corporation	H Shares	32,427,500/Long	30.12%	4.52%
Jingning Lianshang Trading Co., Ltd.	Interest in controlled corporation	H Shares	32,427,500/Long	30.12%	4.52%
Lyu Yonghong	Interest in controlled corporation	H Shares	32,427,500/Long	30.12%	4.52%
Zhejiang Lianyu Trading Co., Ltd.	Interest in controlled corporation	H Shares	32,427,500/Long	30.12%	4.52%
CITIC Securities International Company Limited	Interest in controlled corporation	H Shares	17,962,500/Long	16.68%	2.50%
			1,749,500/Short	1.63%	0.24%
CLSA B.V.	Interest in controlled corporation	H Shares	16,213,000/Long	15.06%	2.26%
CLSA Capital Limited	Beneficial owner	H Shares	16,213,000/Long	15.06%	2.26%
Beijing RenBridge Asset Management Co., Ltd.(3)	Investment manager	H Shares	9,510,250/Long	6.09%	0.92%
China Southern Asset Management Co., Ltd.	Investment manager	H Shares	6,349,500/Long	5.90%	0.88%

Notes:

(1) Hengdian Holdings directly holds 425,120,900 A Shares of the Company, indirectly holds 10,000,000 A Shares through its subsidiary Hengdian DMEGC Magnetics, and indirectly holds 10,000,000 A Shares through its subsidiary Hengdian Import and Export. As Hengdian Holdings is the general partner of Dongyang Henghua, Hengdian Holdings is deemed to be interested in the 24,480,000 A Shares held by Dongyang Henghua for the purposes of the Securities and Futures Ordinance.

(2) Hengdian Holdings is directly held as to 51% and 19% by Dongyang Hengdian Association and Dongyang Hengchuang, respectively. Dongyang Hengchuang is held by Dongyang Hengdian Association as to 0.01% as the general partner and as to 99.98% as the limited partner. Accordingly, Dongyang Hengdian Association is deemed to be interested in all the Shares held by Hengdian Holdings for the purposes of the Securities and Futures Ordinance.

(3) We understand that, based on the latest information on interests disclosed on the HKEXnews website, the percentages of the Shares held by Beijing RenBridge Asset Management Co., Ltd. to the number of issued H Shares and the total number of Shares of the Company have already taken into account the capitalization issue under the Company's 2025 capital reserve capitalization plan. The percentage of the Company's issued H Shares as at June 30, 2026 was calculated based on a total of 156,105,550 H Shares, and the percentage of the Company's total issued Shares as at June 30, 2026 was calculated based on a total of 1,038,144,540 issued Shares (the actual capitalization issue was completed on August 10, 2026).

Save as disclosed above, as at the end of the Reporting Period, the Directors were not aware of any other person, other than the Directors and the chief executive, who had any interests or short positions in the Shares and underlying Shares of the Company that were recorded in the register required to be kept pursuant to section 336 of the Securities and Futures Ordinance.

I. BASIC INFORMATION ON CORPORATE BONDS

Name of Bond	Abbreviation	Code	Issue Date	Interest Commencement Date	Nearest Put Date after August 31, 2026	Maturity Date	Outstanding Balance	Interest Rate (%)	Method of Repayment of Principal and Payment of Interest	Trading Venue	Lead Underwriter	Trustee	Investor Suitability Arrangements (if any)	Trading Mechanism	Whether There Is Any Risk of Termination of Listing and Trading
Nanhua Futures Co., Ltd. 2025 Non-public Issuance of Subordinated Bonds to Professional Investors	25 Nanhua C1	258904.SH	June 11, 2025 to June 13, 2025	June 13, 2025	N/A	June 13, 2032. If the Company exercises the call option at the end of the second year of the Bonds, the maturity date of the redeemed portion of the Bonds will be June 13, 2027; if the Company exercises the call option at the end of the fourth year of the Bonds, the maturity date of the redeemed portion of the Bonds will be June 13, 2029; and if the Company exercises the call option at the end of the fifth year of the Bonds, the maturity date of the redeemed portion of the Bonds will be June 13, 2030.	RMB500 million	3.28	Interest is calculated annually on a simple-interest basis without compounding. Interest is paid once a year, and the interest payable upon maturity is paid together with the principal. If the Company exercises the call option, no further interest will accrue on the principal of the redeemed portion from the redemption date. Annual interest payments will cease to bear interest from the relevant interest payment date, and the principal will cease to bear interest from the principal repayment date.	SSE	China Securities Co., Ltd.	China Securities Co., Ltd.	Institutional investors that meet the requirements of the Measures of SSE for the Administration of Investor Suitability in the Bond Market	Click-to-trade transactions, inquiry-based transactions, bidding transactions and negotiated transactions	No

Triggering and Implementation of Issuer or Investor Option Clauses and Investor Protection Clauses

The Company has a call option in respect of "25 Nanhua C1" and reserves the right to publish an announcement at the information disclosure venue prescribed by the competent authority on whether to exercise the call option on the Bonds on the 30th trading day prior to the interest payment date of the second, fourth and fifth interest accrual years of the Bonds.

If the Company decides to exercise the call option at the end of the second year of the Bonds' duration, the Bonds will be deemed to become fully due and payable at the end of the second year, and the Company will redeem all of the Bonds from investors at their par value plus the final interest installment. The payment method for redemption will be the same as that for the payment of principal and interest upon maturity of the Bonds and will be handled in accordance with the relevant requirements of the bond registration institution. If the Company does not exercise the call option at the end of the second year of the Bonds' duration, the Bonds will remain outstanding during the third and fourth years, and the coupon rate will remain unchanged;

If the Company decides to exercise the call option at the end of the fourth year of the Bonds' duration, the Bonds will be deemed to become fully due and payable at the end of the fourth year, and the Company will redeem all of the Bonds from investors at their par value plus the final interest installment. The payment method for redemption will be the same as that for the payment of principal and interest upon maturity of the Bonds and will be handled in accordance with the relevant requirements of the bond registration institution. If the Company does not exercise the call option at the end of the fourth year of the Bonds' duration, the Bonds will remain outstanding during the fifth year, and the coupon rate will remain unchanged;

If the Company decides to exercise the call option at the end of the fifth year of the Bonds' duration, the Bonds will be deemed to become fully due and payable at the end of the fifth year, and the Company will redeem all of the Bonds from investors at their par value plus the final interest installment. The payment method for redemption will be the same as that for the payment of principal and interest upon maturity of the Bonds and will be handled in accordance with the relevant requirements of the bond registration institution. If the Company does not exercise the call option at the end of the fifth year of the Bonds' duration, the Bonds will remain outstanding during the sixth and seventh years, and the coupon rate will be adjusted to the initial coupon rate plus 300 basis points, with one basis point equal to 0.01%, commencing from the sixth interest accrual year and will remain unchanged during the seventh interest accrual year.

The above clauses have not yet been triggered or implemented.

II. PROCEEDS FROM CORPORATE BONDS

(1) Basic Information

Unit: 100 million Yuan Currency: RMB

Bond Code	Bond Abbreviation	Whether It Is a Special-purpose Bond	Specific Type of Special-purpose Bond	Total Amount of Proceeds	Balance of Proceeds as at the End of the Reporting Period	Balance of Special Account for Proceeds as at the End of the Reporting Period
258904.SH	25 Nanhua C1	No	–	5.00	–	–

(2) Actual Use

Unit: 100 million Yuan Currency: RMB

Bond Code	Bond Abbreviation	Actual Amount of Proceeds Utilized during the Reporting Period	Amount Utilized for Repayment of Interest-bearing Debts (Excluding Corporate Bonds)	Amount Utilized for Repayment of Corporate Bonds	Amount Utilized for Supplementation of Working Capital	Amount Utilized for Investment in Fixed Assets	Amount Utilized for Equity Investment, Debt Investment or Asset Acquisition	Amount Utilized for Other Purposes
258904.SH	25 Nanhua C1	5.00	–	–	5.00	–	–	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	For six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Audited) RMB'000
Net commission and fee income	5	**391,366**	234,539
Net interest income	6	**415,953**	253,289
Including: Interest income		**434,838**	273,198
Interest expense		**(18,885)**	(19,909)
Net investment gains	7	**64,174**	80,047
Other operating income	8	**7,745**	25,256
Operating income		**879,238**	593,131
Staff costs	9	**(261,111)**	(194,249)
Depreciation and amortization	10	**(30,191)**	(26,022)
Credit impairment reverses	11	**3,550**	3,682
Other assets impairment losses	11	**(51)**	–
Other operating expenses	12	**(147,702)**	(117,979)
Operating expenses		**(435,505)**	(334,568)
Operating profit		**443,733**	258,563
Share of (losses)/profits of associates		**(96)**	175
Other gains/(losses), net	13	**4,882**	(1,289)
Profit before income tax		**448,519**	257,449
Income tax expenses	14	**(59,852)**	(26,122)
Profit for the period		**388,667**	231,327
Attributable to:			
Shareholders of the Company		**388,309**	231,254
Non-controlling interests		**358**	73
		388,667	231,327
Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)			
– Basic	16	**0.55**	0.38
– Diluted	16	**0.55**	0.38

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Profit for the period	**388,667**	231,327
Other comprehensive loss:		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity instruments at fair value through other comprehensive income	**(1,130)**	5,375
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(96,179)**	(23,783)
Other comprehensive loss attributable to Shareholders of the Company for the period, net of tax	**(97,309)**	(18,408)
Other comprehensive income attributable to non-controlling interests for the period, net of tax	**33**	31
Total other comprehensive loss for the period	**(97,276)**	(18,377)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**291,391**	212,950
Attributable to:		
Shareholders of the Company	**291,000**	212,846
Non-controlling interests	**391**	104
	291,391	212,950

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	**226,472**	222,805
Investment properties		**–**	–
Right-of-use assets	18	**183,328**	190,000
Intangible assets	19	**11,527**	9,842
Investments in associates and joint ventures	20	**1,676**	1,772
Equity instruments at fair value through other comprehensive income	21	**41,387**	–
Deferred income tax assets	22	**14,005**	3
Other non-current assets	23	**36,650**	37,197
Total non-current assets		**515,045**	461,619
Current assets			
Deposits with exchange-clearing organizations	24	**25,026,864**	19,949,688
Other current assets	25	**385,291**	269,223
Prepayments and trade receivables	26	**49,842**	18,732
Commission receivable	27	**20,540**	36,749
Financial assets held under resale agreements	28	**12,975**	50,685
Financial assets at fair value through profit or loss	29	**4,457,363**	3,462,807
Derivative financial assets	30	**1,119,619**	838,978
Equity instruments at fair value through other comprehensive income	21	**–**	43,819
Bank balances on behalf of clients		**41,101,049**	37,102,562
Cash and bank balances	31	**3,777,977**	3,237,780
Total current assets		**75,951,520**	65,011,023
Total assets		**76,466,565**	65,472,642

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
EQUITY AND LIABILITIES			
Equity			
Share capital	33	**717,725**	717,725
Capital reserve	34	**2,133,164**	2,133,164
Other reserves	34	**278,177**	372,562
Retained earnings		**2,708,656**	2,372,402
Equity attributable to shareholders of the Company		**5,837,722**	5,595,853
Non-controlling interests		**10,367**	9,976
Total equity		**5,848,089**	5,605,829
LIABILITIES			
Non-current liabilities			
Debt instrument issued	35	**499,723**	507,782
Lease liabilities	36	**22,903**	26,213
Deferred income tax liabilities	22	**2,115**	1,015
Accrued staff costs	37	**1,905**	1,843
Total non-current liabilities		**526,646**	536,853

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Current liabilities			
Trade and other payables	38	**1,695,633**	967,250
Lease liabilities	36	**17,741**	18,289
Current tax liabilities		**30,464**	11,466
Borrowings	39	**836,610**	626,031
Financial liabilities at fair value through profit or loss	40	**32,706**	46,757
Derivative financial liabilities	30	**105,628**	49,494
Accrued staff costs	37	**109,424**	140,459
Accounts payable to brokerage clients	41	**66,997,672**	57,191,041
Commission payable		**14,780**	38,799
Futures investors' security funds payable	42	**785**	1,153
Futures risk reserves	43	**250,387**	239,221
Total current liabilities		**70,091,830**	59,329,960
Total liabilities		**70,618,476**	59,866,813
Total equity and liabilities		**76,466,565**	65,472,642

The financial statements were approved by the Board on 17 August 2026 and were signed on its behalf by:

Luo Xufeng
Director

Xu Wencai
Director

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Notes	Attributable to shareholders of the Company						
		Share capital RMB'000 (Note 33)	Capital* reserve RMB'000 (Note 34)	Other reserves RMB'000 (Note 34)	Retained Earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026		**717,725**	**2,133,164**	**372,562**	**2,372,402**	**5,595,853**	**9,976**	**5,605,829**
Profit for the period		**–**	**–**	**–**	**388,309**	**388,309**	**358**	**388,667**
Other comprehensive income		**–**	**–**	**(97,309)**	**–**	**(97,309)**	**33**	**(97,276)**
Total comprehensive income for the period		**–**	**–**	**(97,309)**	**388,309**	**291,000**	**391**	**291,391**
Dividends	15	**–**	**–**	**–**	**(49,131)**	**(49,131)**	**–**	**(49,131)**
Appropriation to general reserves		**–**	**–**	**2,924**	**(2,924)**	**–**	**–**	**–**
At 30 June 2026 (Unaudited)		**717,725**	**2,133,164**	**278,177**	**2,708,656**	**5,837,722**	**10,367**	**5,848,089**

	Notes	Attributable to shareholders of the Company						
		Share capital RMB'000 (Note 33)	Capital* reserve RMB'000 (Note 34)	Other reserves RMB'000 (Note 34)	Retained Earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025		610,066	1,140,629	417,705	1,946,854	4,115,254	9,586	4,124,840
Profit for the period		–	–	–	231,254	231,254	73	231,327
Other comprehensive income		–	–	(18,408)	–	(18,408)	31	(18,377)
Total comprehensive income for the period		–	–	(18,408)	231,254	212,846	104	212,950
Dividends	15	–	–	–	(45,933)	(45,933)	–	(45,933)
Appropriation to general reserves		–	–	2,437	(2,437)	–	–	–
At 30 June 2025 (Audited)		610,066	1,140,629	401,734	2,129,738	4,282,167	9,690	4,291,857

* Included in the capital reserve, the Company holds 5,681,234 treasury shares with a carrying amount of RMB50,099,397. The total issued share capital of the Company remains at RMB610,065,893 (with a par value of RMB1 per share), while the number of shares outstanding is 712,043,659.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	For six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Audited) RMB'000
OPERATING ACTIVITIES			
Profit before income tax		**448,519**	257,449
Adjustments for:			
Depreciation and amortization		**30,191**	26,022
Provision of impairment losses		**(3,499)**	(3,682)
Net increase in futures risk reserves		**11,166**	5,694
Net losses/(gains) on disposal of property, plant and equipment and intangible assets and other long-term assets		**52**	(272)
Net investment gain		**(64,174)**	(83,997)
Share of profit or loss of associates		**96**	(175)
Financial expense arising from investing and financing activities		**39,024**	6,495
Operating cash flows before movements in working capital		**461,375**	207,534
Changes in working capital:			
Bank balances held for clients		**(3,998,487)**	4,736,621
Deposits with exchange-clearing organizations		**(5,077,176)**	(3,025,629)
Other operating assets		**(101,214)**	(29,026)
Accounts payable to brokerage clients		**9,806,631**	(2,321,225)
Other operating liabilities		**599,694**	14,250
Income tax paid		**(50,769)**	(24,561)
Net cash generated from/(used in) operating activities		**1,640,054**	(442,036)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

For the six months ended 30 June 2026

	Notes	For six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Audited) RMB'000
INVESTING ACTIVITIES			
Net cash flow from proceeds on disposal of property, plant and equipment, intangible assets and other long-term assets		(19,472)	(15,744)
Net cash flow from investment of financial instruments		(1,226,059)	196,435
Net cash flow from other investing activities		596,991	351,164
Net cash (used in)/generated from investing activities		(648,540)	531,855
FINANCING ACTIVITIES			
Cash received from issuing bonds		–	198,550
Cash received from borrowings		448,359	170,418
Cash paid for repayment of borrowings		(235,155)	(182,432)
Cash paid for distribution of dividend and repayment of interests		(26,269)	(66,782)
Net cash flow from other financing activities		(10,955)	(9,682)
Net cash generated from financing activities		175,980	110,072
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		(56,216)	(611)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,111,278	199,280
Cash and cash equivalents at the beginning of period	32	2,363,537	1,038,837
Cash and cash equivalents at the end of period	32	3,474,815	1,238,117

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

1. GENERAL INFORMATION

Nanhua Futures Co., Ltd. (the "**Company**") is incorporated in Zhejiang Province, the People's Republic of China (the "**PRC**") as a joint stock financial institution.

The Company was set up upon approval from the China Securities Regulatory Commission (the "**CSRC**") in May 1996 as a limited liability company with an initial registered capital of RMB10 million. After a series of share transfers and capital increases and upon approval by relevant government authorities, the Company was converted from a limited liability company into a joint-stock company, and the Company's Chinese name was changed accordingly (南華期貨股份有限公司). The Company holds the business license with the Unified Social Credit Code of 91330000100023242A. The registered address of the Company is Hengdian Building, Shangcheng District, Hangzhou City, Zhejiang Province. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 22 December 2025. As of the end of the Reporting Period, the registered capital of the Company was RMB717,724,893.

The Company and its subsidiaries (the "**Group**") are principally engaged in financial futures brokerage, commodity futures brokerage, futures investment consultancy, futures asset management, commodity trading and other business activities as permitted by the CSRC.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

2.2 Change in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The adoption of the amendments to an IFRS Accounting Standard in the current year had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these consolidated financial statements.

3. SUMMARY OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025.

During the period, the Group made a change in accounting estimate about the adjustments to the credit risk portfolio categories for monetary margin receivables and settlement reserve funds with effect from 1 January 2026, this change in accounting estimate is expected to increase the Group's profit before income tax for the year ended 31 December 2026 by an amount not exceeding RMB 40 million.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business engaged in the following activities, which are subject to risks and returns that are different from the other operating segments.

- PRC Futures Brokerage: mainly provides a solid bridge for clients to participate in commodity and financial futures trading.

- PRC Risk Management Services: mainly provides tailored hedging services for enterprises and institutions using specialized tools, and conduct agricultural products business through its wholly-subsidiary, Nanhua Capital.

- PRC Wealth Management: mainly provides mutual fund management, asset management, and agency sales of funds.

- Overseas Financial Services: offering core services such as brokerage, clearing, and asset management in international markets.

- Others: mainly provides future investment advisory service to assist clients in making investment and trading decisions.

4. OPERATING SEGMENT INFORMATION (Continued)

Segment information for the six months ended 30 June 2026 is as follows:

(Unaudited)	PRC Futures Brokerage RMB'000	PRC Wealth Management RMB'000	PRC Risk Management Services RMB'000	Overseas Financial Services RMB'000	Others RMB'000	Total RMB'000
Operating income	300,593	38,273	13,054	521,825	5,493	879,238
Operating expenses	(223,943)	(44,376)	(45,698)	(121,488)	–	(435,505)
Share of profits or loss of associates	375	–	(471)	–	–	(96)
Other (losses)/gains, net	(738)	–	5,273	347	–	4,882
Profit/(loss) before income tax	76,287	(6,103)	(27,842)	400,684	5,493	448,519
Income tax expenses						(59,852)
Profit for the period						388,667
Total assets	44,467,827	992,223	3,143,644	27,004,395	858,476	76,466,565
Total liabilities	40,462,413	680,589	2,522,204	26,168,092	785,178	70,618,476
Other segment information:						
Depreciation and amortization	23,902	911	509	4,869	–	30,191
Capital expenditure	19,109	903	2,480	1,867	–	24,359

4. OPERATING SEGMENT INFORMATION (Continued)

Segment information for the six months ended 30 June 2025 is as follows:

(Audited)	PRC Futures Brokerage RMB'000	PRC Wealth Management RMB'000	PRC Risk Management Services RMB'000	Overseas Financial Services RMB'000	Others RMB'000	Total RMB'000
Operating income	190,436	27,583	45,121	326,893	3,098	593,131
Operating expenses	(178,723)	(38,490)	(31,713)	(85,642)	–	(334,568)
Share of profits or loss of associates	208	–	(33)	–	–	175
Other gains/(losses), net	–	–	71	9	(1,369)	(1,289)
Profit/(loss) before income tax	11,921	(10,907)	13,446	241,260	1,729	257,449
Income tax expenses						(26,122)
Profit for the period						231,327
Total assets	28,784,972	447,943	1,712,472	14,898,952	1,033,822	46,878,161
Total liabilities	25,548,440	267,264	1,586,068	14,246,262	938,270	42,586,304
Other segment information:						
Depreciation and amortization	21,168	1,331	407	3,116	–	26,022
Capital expenditure	13,461	26	282	2,024	–	15,793

5. NET COMMISSION AND FEE INCOME

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Futures brokerage services	**337,360**	196,484
Mutual fund services	**29,884**	23,264
Asset management services	**18,947**	9,362
Other commission income	**5,175**	5,429
	391,366	234,539

The net commission and fee income of mutual fund services and asset management services are recognized over time. And the net commission and fee income of futures brokerage services and other commission income are recognized at a point in time.

6. NET INTEREST INCOME

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Interest income from exchanges and other financial institutions	**434,838**	273,198
Interest expense on loan, bonds and others	**(18,885)**	(19,909)
	415,953	253,289

7. NET INVESTMENT GAINS

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net realized gains of		
– Financial assets at fair value through profit or loss	**148,898**	59,743
– Derivatives	**2,894**	63,015
Dividend income	**114**	–
Unrealized fair value changes of		
– Financial assets at fair value through profit or loss	**(12,034)**	(35,368)
– Financial liabilities at fair value through profit or loss	**(29,799)**	(10,347)
– Commodities	**(15,353)**	(1,789)
– Executory contracts	**(30,546)**	(4,368)
Others	**–**	9,161
	64,174	80,047

8. OTHER OPERATING INCOME

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Market maker rebate income	**12,967**	10,498
"Insurance + Futures" income	**4,806**	3,542
Government grants	**704**	734
Trade income	**272**	244
Other (losses)/income	**(11,004)**	10,238
	7,745	25,256

9. STAFF COSTS

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Salaries and bonus	**215,984**	154,161
Pension	**25,462**	24,901
Other social securities	**11,818**	9,051
Labor union charge and employee education charge	**2,546**	2,020
Other welfares	**5,301**	4,116
	261,111	194,249

10. DEPRECIATION AND AMORTIZATION

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Depreciation of property, plant and equipment	**15,342**	12,631
Depreciation of right-of-use assets	**12,667**	11,690
Amortization of intangible assets	**2,182**	1,663
Depreciation of investment properties	**–**	38
	30,191	26,022

11. CREDIT IMPAIRMENT REVERSES AND OTHER ASSETS IMPAIRMENT LOSSES

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Credit impairment reverses		
Deposits with exchange-clearing organizations and others	**(3,550)**	(3,682)
Other assets impairment losses		
Other assets	**51**	–

12. OTHER OPERATING EXPENSES

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Information service fees	33,933	23,844
Consultancy and service fees	22,983	12,408
Office expenses	16,256	16,962
Information system maintenance fees	15,497	15,365
Risk reserves	11,166	5,694
Software fee	9,833	6,125
Marketing and distribution expenses	7,175	3,955
Property management fees	5,434	9,262
Taxes and surcharges	4,630	2,985
Annual fee	4,463	4,713
Storage fee	2,059	2,120
"Insurance + Futures" expenses	1,430	4,164
Futures investors protection fund	769	424
Trade expenses	270	192
Other expenses	11,804	9,766
	147,702	117,979

13. OTHER GAINS/(LOSSES), NET

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Breach penalty	1,750	(224)
Donation	(25)	(123)
Others	3,157	(942)
	4,882	(1,289)

14. INCOME TAX EXPENSES

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Current income tax expenses	**72,754**	38,854
Deferred income tax expenses	**(12,902)**	(12,732)
	59,852	26,122

The mainland China income tax provision is based on the statutory tax rate of 25% of the taxable income of the Group as determined in accordance with the relevant PRC income tax rules and regulations. Hong Kong subsidiaries apply a tiered CIT rate of 8.25% on taxable income up to HKD2,000,000 and 16.5% on income exceeding HKD2,000,000. Nanhua Singapore Pte. Ltd. is subject to 13.5%. Nanhua Asset Management SG Pte. Ltd. is subject to 17% before March 2026, and for the period from April 2026 onwards, the applicable rate decreased to 10%. Nanhua Financial (UK) Co., Limited, registered in the UK, was subject to a CIT rate of 25%. The U.S. subsidiaries are subject to a CIT rate of 30.5%. The Cayman Islands/Virgin Islands entities are not subject to CIT.

15. DIVIDENDS

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Dividends on ordinary shares proposed but not paid (Note a)	**49,131**	–
Dividends on ordinary shares paid (Note b)	**–**	45,933

Note a: Pursuant to the resolution of the annual general meeting held on 15 June 2026, the Company distributed cash dividends of RMB0.69 per 10 shares (tax included) based on 712,043,659 shares held amounting to RMB49.13 million in total for the year ended 31 December 2025.

Note b: Final dividends attributable to shareholders of the Company in respect of the years ended 31 December 2024 of RMB0.76 per 10 shares (tax inclusive), were approved by the annual general meeting held on 31 March 2025. The dividends for the year 2024 have been paid on 23 May 2025.

16. EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
Weighted average number of ordinary shares in issue (in thousands)	**712,044**	610,066
Profit attributable to owners of the Company (in RMB'000)	**388,309**	231,254
Basic earnings per share (in RMB)	**0.55**	0.38

(2) Diluted earnings per share

No diluted earnings per share has been presented for the six months ended 30 June 2026 and 30 June 2025 as the Company had no potential ordinary shares in issue during the periods.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Motor vehicles RMB'000	Electronics and others RMB'000	Total RMB'000
Cost				
As at 1 January 2025	194,918	2,779	121,297	318,994
Additions and transfer-in	297	–	20,162	20,459
Disposals	–	–	(1,708)	(1,708)
Effect of changes in exchange rates	–	–	177	177
As at 31 December 2025 (Audited)	195,215	2,779	139,928	337,922
Accumulated depreciation				
As at 1 January 2025	(17,652)	(2,049)	(73,063)	(92,764)
Additions	(5,564)	(222)	(17,802)	(23,588)
Disposals	–	–	1,541	1,541
Effect of changes in exchange rates	–	–	(306)	(306)
As at 31 December 2025 (Audited)	(23,216)	(2,271)	(89,630)	(115,117)
Carrying value				
As at 31 December 2025 (Audited)	171,999	508	50,298	222,805

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Motor vehicles RMB'000	Electronics and others RMB'000	Total RMB'000
Cost				
As at 1 January 2026	195,215	2,779	139,928	337,922
Additions and transfer-in	–	–	20,492	20,492
Disposals	–	–	(2,086)	(2,086)
Effect of changes in exchange rates	–	–	(361)	(361)
As at 30 June 2026 (Unaudited)	195,215	2,779	157,973	355,967
Accumulated depreciation				
As at 1 January 2026	(23,216)	(2,271)	(89,630)	(115,117)
Additions	(2,812)	(111)	(12,419)	(15,342)
Disposals	–	–	767	767
Effect of changes in exchange rates	–	–	197	197
As at 30 June 2026 (Unaudited)	(26,028)	(2,382)	(101,085)	(129,495)
Carrying amount				
As at 30 June 2026 (Unaudited)	169,187	397	56,888	226,472

18. RIGHT-OF-USE ASSETS

	Buildings and leasehold land RMB'000
Cost	
As at 1 January 2025	259,544
Additions	39,367
Disposals/write-off	(25,081)
Effect of changes in exchange rates	(598)
As at 31 December 2025 (Audited)	273,232
Accumulated depreciation	
As at 1 January 2025	(73,203)
Charge for the year	(26,279)
Disposals	15,795
Effect of changes in exchange rates	455
As at 31 December 2025 (Audited)	(83,232)
Carrying value	
As at 1 January 2025	186,341
As at 31 December 2025 (Audited)	190,000

18. RIGHT-OF-USE ASSETS (Continued)

	Buildings and leasehold land RMB'000
Cost	
As at 1 January 2026	273,232
Additions	9,279
Disposals/write-off	(17,019)
Effect of changes in exchange rates	(1,209)
As at 30 June 2026 (Unaudited)	264,283
Accumulated depreciation	
As at 1 January 2026	(83,232)
Charge for the period	(12,667)
Disposals	14,476
Effect of changes in exchange rates	468
As at 30 June 2026 (Unaudited)	(80,955)
Carrying value	
As at 1 January 2026	190,000
As at 30 June 2026 (Unaudited)	183,328

For both years, the Group leases various of offices, warehouses, retail stores, equipment, leasehold land and vehicles for its operations. Lease contracts are entered into for a fixed term of 1 year to 10 years (2025: 1 year to 10 years).

19. INTANGIBLE ASSETS

	Computer software and others RMB'000
Cost	
As at 1 January 2025	21,241
Additions	5,280
Disposals/write-off	–
Effect of changes in exchange rates	(10)
As at 31 December 2025 (Audited)	26,511
Accumulated depreciation	
As at 1 January 2025	(13,216)
Charge for the year	(3,463)
Disposals	–
Effect of changes in exchange rates	10
As at 31 December 2025 (Audited)	(16,669)
Carrying value	
As at 31 December 2025 (Audited)	9,842
Cost	
As at 1 January 2026	**26,511**
Additions	**3,867**
Disposals/write-off	**–**
Effect of changes in exchange rates	**(15)**
As at 30 June 2026 (Unaudited)	**30,363**
Accumulated depreciation	
As at 1 January 2026	**(16,669)**
Charge for the year	**(2,182)**
Disposals	**–**
Effect of changes in exchange rates	**15**
As at 30 June 2026 (Unaudited)	**(18,836)**
Carrying value	
As at 30 June 2026 (Unaudited)	**11,527**

20. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(1) Details of the Group's investments in associates are as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Investments in associates under equity method	1,676	1,772

(2) Details of the Group's associates at the end of the reporting period are as follows:

Name of entity	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group 30 June 2026	Proportion of ownership interest held by the Group 31 December 2025	Proportion of voting rights held by the Group 30 June 2026	Proportion of voting rights held by the Group 31 December 2025	Principal activity
Heilongjiang Agricultural Investment International Far East Agricultural Development Co., LTD*	China	China	5.00%	5.00%	5.00%	5.00%	Agricultural professional and auxiliary activities.
Zhejiang Holland & Muh Investment Management Co., Ltd. ("Zhejiang Holland & Muh")	China	China	24.896%	24.896%	24.896%	24.896%	Investment management and asset management.

* The Company has appointed a director to Heilongjiang Agricultural Investment International Far East Agricultural Development Co., Ltd. and is able to exert significant influence over its operational and financial policy decisions.

21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Equity investments in listed entities	13,257	17,998
Equity investments in unlisted entities	28,130	25,821
	41,387	43,819

22. DEFERRED INCOME TAX ASSETS AND LIABILITIES

	As at 30 June 2026 (Unaudited)			
	Temporary differences RMB'000	Deferred income tax assets RMB'000	Temporary differences RMB'000	Deferred income tax liabilities RMB'000
Fair value changes of financial instruments	**96,592**	**24,126**	**76,841**	**19,210**
Lease liabilities	**39,580**	**9,895**	**–**	**–**
Interest payable	**–**	**–**	**277**	**70**
Right-of-use assets	**–**	**–**	**41,714**	**10,428**
Others*	**30,307**	**7,577**	**–**	**–**
	166,479	**41,598**	**118,832**	**29,708**

	As at 31 December 2025 (Audited)			
	Temporary differences RMB'000	Deferred income tax assets RMB'000	Temporary differences RMB'000	Deferred income tax liabilities RMB'000
Fair value changes of financial instruments	49,814	12,439	111,985	27,993
Lease liabilities	42,533	10,633	–	–
Interest payable	7,782	1,945	–	–
Right-of-use assets	–	–	45,022	11,255
Deductible loss	22,558	5,640	–	–
Credit loss	6	2	–	–
Others*	30,307	7,577	–	–
	153,000	38,236	157,007	39,248

* The "Others" item mainly represents temporary differences arising from impairment loss on domestic warehouse receipts recognized as non-operating expenses in 2023. As the related litigation case has not yet reached a final conclusion, the tax adjustment will be made in subsequent periods after the cases are settled.

Offsetting of deferred income tax assets and liabilities:

	As at 30 June 2026 (Unaudited)		As at 31 December 2025 (Audited)	
	Offsetting amount RMB'000	After offsetting RMB'000	Offsetting amount RMB'000	After offsetting RMB'000
Deferred income tax assets	**27,593**	**14,005**	(38,233)	3
Deferred income tax liabilities	**27,593**	**2,115**	(38,233)	1,015

23. OTHER NON-CURRENT ASSETS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Long-term deferred expenses	27,579	28,049
Contract fulfilment costs	3,886	3,262
Others	5,185	5,886
	36,650	37,197

24. DEPOSITS WITH EXCHANGE-CLEARING ORGANIZATIONS

		30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Currency margin receivable	(1)	22,988,667	18,073,089
Pledge margin receivable	(2)	1,575,994	1,475,162
Settlement guarantees receivable	(3)	441,823	377,769
Clearing settlement funds	(4)	20,380	23,668
		25,026,864	19,949,688

24. DEPOSITS WITH EXCHANGE-CLEARING ORGANIZATIONS (Continued)

(1) Currency margin receivable

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cost	**23,052,923**	18,139,323
Allowance	**(64,256)**	(66,234)
Carrying amount	**22,988,667**	18,073,089

(2) Pledge margin receivable

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Shanghai Futures Exchange	**929,590**	597,692
Chicago Mercantile Exchange Group Inc	**535,887**	594,644
China Financial Futures Exchange	**96,488**	113,417
Dalian Commodity Exchange	**13,562**	36,855
Guangzhou Futures Exchange	**467**	–
Zhengzhou Commodity Exchange	**–**	84,055
Shanghai International Energy Exchange Co., LTD	**–**	48,499
	1,575,994	1,475,162

(3) Settlement guarantees receivable

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
CME Group Inc.	**139,291**	127,775
London Metal Exchange	**83,509**	89,080
China Financial Futures Exchange	**63,733**	41,116
ICE Clear U.S., Inc.	**57,543**	30,532
Singapore Exchange Derivatives Clearing Limited	**49,857**	50,845
Hong Kong Exchanges and Clearing Limited	**23,787**	21,203
China Securities Depository and Clearing Corporation Limited	**13,715**	13,704
Nodal Exchange, LLC	**5,108**	–
MIAX Futures Exchange	**4,597**	3,514
Cboe Exchange, Inc.	**683**	–
	441,823	377,769

24. DEPOSITS WITH EXCHANGE-CLEARING ORGANIZATIONS (Continued)

(4) Clearing settlement funds

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Cost	**20,519**	24,339
Allowance	**(139)**	(671)
Amount	**20,380**	23,668

25. OTHER CURRENT ASSETS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Hedged items (Note a)	**234,996**	121,531
Exchange performance securities (Note b)	**83,635**	101,138
Deductible VAT	**59,299**	47,186
Others	**17,641**	15,513
Less: Credit loss allowance		
– Exchange performance securities	**(5,173)**	(10,770)
– Others	**(5,107)**	(5,375)
	385,291	269,223

Note a: The carrying amount of RMB in thousand 164,458 (2025: RMB in thousand 9,168) of hedged items had been pledged to secure the Group's borrowings. Details of borrowings are disclosed in note 39.

The hedged item is the net exposure of the Company's held spot commodities and pending contracts. The risk hedged is commodity price risk from market price fluctuations. The strategy uses futures contracts from 1 January to 30 June 2026, maintaining a hedge ratio of 90%-110% of net spot exposure (post-tax) to reduce risk. An economic relationship exists between the hedged item and hedging instrument, with the hedge effective overall despite ineffectiveness from basis risk and market volatility. The hedged item impacts a loss by approximately RMB in thousand 64,004 and the derivatives a profit by approximately RMB in thousand 81,862 both recognized in profit and loss.

Note b: Exchange performance securities refer to the common guarantee funds that are used against the risk of default of clearing members, which are deposited by the Company as a clearing member in futures exchanges and registration companies in accordance with their regulations. Their fair values are equal approximates to their book values.

26. PREPAYMENTS AND TRADE RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Prepayments		
– Goods	**49,842**	18,732

The following is an aged analysis of prepayments and trade receivables net of allowance for credit losses presented based on payment date.

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	**49,560**	18,732
Over 1 year	**282**	–
	49,842	18,732

27. COMMISSION RECEIVABLE

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Commission receivable	**21,265**	38,301
Less: allowance	**(725)**	(1,552)
	20,540	36,749

28. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Analysed by business:		
Bonds pledge repo	**12,975**	50,685
Analysed by collateral:		
Bonds	**12,975**	50,685

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Debt securities	3,730,803	2,844,753
Equity instruments	726,560	538,008
Financing products	–	80,046
	4,457,363	3,462,807

30. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

	As at 30 June 2026 (Unaudited)		
	Notional amounts RMB'000	Assets RMB'000	Liabilities RMB'000
OTC options	8,355,820	108,830	99,227
Futures and options contracts	23,875,531	1,010,789	6,401
Total	32,231,351	1,119,619	105,628

	As at 31 December 2025 (Audited)		
	Notional amounts RMB'000	Assets RMB'000	Liabilities RMB'000
OTC options	5,125,272	47,851	45,306
Futures and options contracts	10,089,353	791,127	4,188
Total	15,214,625	838,978	49,494

30. DERIVATIVE FINANCIAL ASSETS (Continued)

Fair value hedges

The Group hedges its net exposure of held spot goods and contracts to be executed with futures contracts corresponding to the underlying spot commodities.

The Group's net gains/(losses) on fair value hedges are as follow:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Net gains/(losses)		
– Hedging instruments	81,862	32,749
– Hedged items	(64,004)	(13,715)

31. CASH AND BANK BALANCES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Bank balances	44,783,077	40,282,175
Less: Futures margin deposits (Note a)	(40,839,602)	(36,946,978)
Margins of brokerage business (Note a)	(261,447)	(155,584)
Others	95,949	58,167
Total	3,777,977	3,237,780

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at variable market rates range from 0.00% to 4.01% (2025: 0.00% to 4.37%)

As at 30 June 2026, the others are mainly include available cash in the brokerage account and risk reserve funds held in a designated account by the fund.

Note a: The Group maintains accounts with banks to hold customers' deposits arising from normal business transactions.

32. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash and bank balances-house accounts	3,777,977	3,237,780
Less: Bank deposits with original maturity of more than three months	(264,064)	(835,501)
Other Restricted funds	(39,098)	(38,742)
	3,474,815	2,363,537

Cash and cash equivalents do not include bank deposits held by the Group with original maturity of more than three months and restricted funds primarily consisting of risk reserve deposits.

33. SHARE CAPITAL

All shares issued by the Company are fully paid common shares, with a notional value of RMB1.00 per share. The number of shares and nominal value of the Company's share capital are as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
At 1 January	717,725	610,066
Issuance of shares	–	107,659
At 30 June/31 December	717,725	717,725

34. CAPITAL RESERVE AND OTHER RESERVES

	Capital reserve			Other reserves			
	Share premium RMB'000	Treasury shares RMB'000	Surplus reserves RMB'000	General reserves RMB'000	Foreign currency translation reserve RMB'000	Fair value change RMB'000	Total RMB'000
Balance at 1 January 2026	**2,183,263**	**(50,099)**	**146,910**	**195,795**	**33,985**	**(4,128)**	**2,505,726**
Profit for the period							
Other comprehensive loss for the period	**–**	**–**	**–**	**–**	**(96,179)**	**(1,130)**	**(97,309)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(96,179)**	**(1,130)**	**(97,309)**
Appropriation to general reserves	**–**	**–**	**–**	**2,924**	**–**	**–**	**2,924**
Balance at 30 June 2026 (Unaudited)	**2,183,263**	**(50,099)**	**146,910**	**198,719**	**(62,194)**	**(5,258)**	**2,411,341**

	Capital reserve			Other reserves			
	Share premium RMB'000	Treasury shares RMB'000	Surplus reserves RMB'000	General reserves RMB'000	Foreign currency translation reserve RMB'000	Fair value change RMB'000	Total RMB'000
Balance at 1 January 2025	1,190,728	(50,099)	142,353	185,569	88,296	1,487	1,558,334
Profit for the year							
Other comprehensive loss for the year	–	–	–	–	(54,311)	(5,615)	(59,926)
Total comprehensive loss for the year	–	–	–	–	(54,311)	(5,615)	(59,926)
Appropriation to surplus reserves	–	–	4,557	–	–	–	4,557
Appropriation to general reserves	–	–	–	10,226	–	–	10,226
Capital increase by equity holders	992,535	–	–	–	–	–	992,535
Balance at 31 December 2025 (Audited)	2,183,263	(50,099)	146,910	195,795	33,985	(4,128)	2,505,726

35. DEBT INSTRUMENT ISSUED

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
25 Nanhua C1	499,723	507,782

As at 30 June 2026 and 31 December 2025, there was no default related to any issued debt instruments.

Name	Par value	Issue date	Maturity date	Coupon rate	Book value 30 June 2026 (Unaudited)	Book value 31 December 2025 (Audited)
	RMB'000				RMB'000	RMB'000
25 Nanhua C1	500,000	2025/06/13	2032/06/13	3.28%	499,723	507,782

36. LEASE LIABILITIES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Buildings	40,644	44,502
Less: Amount due for settlement within 12 months shown under current liabilities	(17,741)	(18,289)
Amount due for settlement after 12 months shown under non-current liabilities	22,903	26,213

37. ACCRUED STAFF COSTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Short-term employee benefits	109,424	140,459
Long-term defined contribution plans	1,905	1,843
	111,329	142,302

38. TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Derivatives performance securities (Note a)	1,343,897	767,374
Contract Performance deposit	91,604	91,027
Payables for commodities	87,460	14,047
Dividend payable	49,131	–
Hedged items (Note b)	39,575	9,705
Construction payable	21,881	21,970
Clearing payable	15,201	15,371
Non-current liability matured within one year	9,595	2,470
Taxes other than current tax liabilities	5,881	7,634
Share issuance costs	2,541	9,704
Trade payables	10	92
Others	28,857	27,856
	1,695,633	967,250

Note a: The derivative performance securities are mainly equity payable arising from OTC option contracts. The purpose is for trading.

Note b: The Group designates derivative financial instruments such as forward contracts and option contracts as hedging instruments, which are recognized at fair value with the hedged risk being fair value fluctuation risks such as market interest rate risk and exchange rate risk.

39. BORROWINGS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Credit loan	705,044	617,332
Pledged loan	131,566	8,699
	836,610	626,031

As at 30 June 2026 and 31 December 2025, borrowings above were short-term borrowings, the annual interest rate of these short-term borrowings was ranged from 2.45% to 5.10%, and 2.80% to 7.10% respectively.

40. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Minority interests in consolidated structured entities and others	**32,706**	46,757

41. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Currency margins payable	**65,180,292**	55,575,136
Pledge margins payable	**1,575,994**	1,475,162
Trading securities	**241,386**	140,743
	66,997,672	57,191,041

The Group maintains segregated deposit accounts with banks and authorised institutions to hold client monies arising from its ordinary course of brokerage business. The Group has classified these client monies under current assets in the interim condensed consolidated statement of financial position as deposits with exchange-clearing organizations, bank balances on behalf of clients and financial assets at fair value through profit or loss of which used in investing in treasury bonds. These clients' monies are restricted and governed by relevant third-party regulations in different countries and regions.

42. FUTURES INVESTORS' SECURITY FUNDS PAYABLE

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
At 1 January	**1,153**	750
Current period/year charge	**768**	1,148
Current period/year payment	**(1,136)**	(745)
At 30 June/31 December	**785**	1,153

43. FUTURES RISK RESERVES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
At 1 January	239,221	224,337
Increased	11,166	15,394
Recognized	–	(510)
At 30 June/31 December	250,387	239,221

The futures risk reserves are provided at the rate of 5% of the net commission and fee income and 10% of the management fee income from asset management products, and recognized in the profit or loss.

The criteria for recognizing risk losses are as follows:

(1) Risk losses caused by the Company's oversight such as information system failure, wrong order trading, forced closing of positions not in compliance with regulations, etc.;

(2) Recognized bad debt losses.

Any losses not covered by the risk reserve shall be recognized in the current period's profit or loss.

44. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Contracted but not provided for		
Property, plant and equipment	2,514	2,714

(b) Legal proceedings

In the ordinary course of business, the Group is subject to claims and is party to legal and regulatory proceedings. As at 30 June 2026 and 31 December 2025, the Group was not involved in any material legal proceedings that would materially and adversely affect the Group's financial position or results of operations.

45. RELATED PARTY TRANSACTIONS

(1) Related parties

(i) Major Shareholders

Major shareholders refer to entities holding 10% or more of the Company's issued share capital.

Name	Percentage of the Company's shares held directly 30 June 2026	31 December 2025
Hengdian Group Holding Co., Ltd	59.23%	59.23%

(ii) Associates and Joint Ventures of the Company

Details of the Company's associates and joint ventures are set out in Note 20.

(iii) Other Related Parties

Other related parties include subsidiaries of major shareholders, individuals including directors, supervisors, senior management personnel and their close family members and other related parties on the relevant standard rules.

45. RELATED PARTY TRANSACTIONS (Continued)

(2) Related party transactions and balances

(i) Transactions with major shareholders and balances

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade (expenses)/income	**(279)**	110
Other operating expenses	**(7)**	–

(ii) Transactions with associates and joint ventures of the company and balances

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net commission and fee income	**6,308**	2,068
Trade income	**1**	–

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Accounts payable to brokerage clients	**469,217**	289,161

(iii) Transactions with other Related Parties and balances

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Interest income for deposits	**75,467**	126,447
Net investment gains/(losses)	**487**	(197)
Trade income	**395**	12
Net commission and fee income	**20**	2
Interest expense for borrowings	**(2,413)**	(1,312)
Other operating expenses	**(2,949)**	(2,812)

45. RELATED PARTY TRANSACTIONS (Continued)

(2) Related party transactions and balances (Continued)

(iii) Transactions with other Related Parties and balances (Continued)

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Deposit balances	**3,440,097**	3,082,014
Debt instrument issued-par value	**100,000**	100,000
Borrowings	**131,941**	91,341
Accounts payable to brokerage clients	**24,942**	1,262
Trade and other payables	**166**	198

(3) Key management personnel

Key management personnel are those persons who have the power to, directly or indirectly, plan, direct and control the activities of the Group, including members of the Board and other members of the senior management.

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Key management compensation	**5,618**	4,340

46. THE GROUP'S INTEREST IN STRUCTURED ENTITIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION

(a) Interests in structured entities initiated and established by the Group

Unconsolidated structured entities established by the Group mainly include asset management plans established by the Group. The nature and objective of the structured entities is to manage investors' assets and collect management fees. Financing is sustained through investment products issued to investors. The interests held by the Group in these unconsolidated structured entities mainly involve management fees and performance fees collected from managed structured entities.

The relevant book values and maximum exposures are as follows:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Carrying amount RMB'000	**Maximum exposure RMB'000**	Carrying amount RMB'000	Maximum exposure RMB'000
Financial assets at fair value through profit or loss	**361,344**	**361,344**	325,392	325,392

For the six months ended 30 June 2026 and 2025, the Group received the following income from these structured entities held not included in the scope of consolidation:

	For six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Audited) RMB'000
Management fees and performance fees	**48,831**	32,626

As at 30 June 2026 and 31 December 2025, the Group has not provided and does not intend to provide any financial support to these structured entities not included in the scope of consolidation.

46. THE GROUP'S INTEREST IN STRUCTURED ENTITIES NOT INCLUDED IN THE SCOPE OF CONSOLIDATION (Continued)

(b) Interests in structured entities initiated and established by third party

The maximum exposure and the carrying value of relevant balance sheet items of the Group arising from the interest held in directly invested structured entities such as funds, asset management products that are sponsored by third party financial institutions were set out as follows:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Carrying amount RMB'000	Maximum exposure RMB'000	Carrying amount RMB'000	Maximum exposure RMB'000
Financial assets at fair value through profit or loss	209,469	209,469	170,791	170,791

47. FINANCIAL RISK MANAGEMENT

Overview

The Group's business activities are exposed to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Managing risks are core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Group is subject to a number of financial risks, primarily including credit risk, market risk, foreign exchange risk and liquidity risk.

This section describes the Group's position with respect to the above risk exposures, and the Group's objectives, policies and procedures in managing those risk exposures, as well as the Group's capital management.

47. FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk

Credit risk refers to the risk of counterparty's failure or inability to meet its payment obligations, or the risk of loss due to declining credit rating.

The Group's credit risks mainly come from financial assets which include bank balances, financial assets held under resale agreements, bank balances on behalf of clients, deposits with exchange-clearing organizations, financial assets at fair value through profit or loss, contract assets, refundable deposits and other current assets.

In terms of the default risk from its commodity trading and risk management business, the Group has established certain criteria in selecting the counterparty, including but not limited to inspection on the credit status and credit enhancement measures on a case-by-case basis, so as to determine its credit exposure to each counterparty. The Group also reviews the credit status of individual customers at least once in a year, including business performance, repayment ability, as well as industrial outlook in which the customers operate.

The Group's bank balances and bank balances on behalf of clients are mainly deposited with state-owned commercial banks, joint-stock commercial banks and major city commercial banks. Meanwhile, deposits with exchange-clearing organizations and refundable deposits are mainly placed with authorized exchange-clearing organizations in the PRC, with a relatively low level of credit risk.

The Group's credit risk also arises from its futures brokerage service. Under clearing rules, a minimum margin requirement is set by the respective futures exchanges. Therefore a minimum margin deposit is to be placed with the futures broker when an individual customer has a position. However, the Group has to fulfil the obligation on daily settlements by using its own funds if the customer margin deposit balance is insufficient and the customer fails to replenish the balance by the end of each trading day. Credit risks are mainly associated to customer's inability to meet the daily settlement obligation. To mitigate the credit risk from futures brokerage service, the Group usually requires the customers to maintain a margin deposit balance that is higher than the minimum margin required by futures exchanges. The Group also monitors each customer's credit status on a real-time basis and, therefore, may require customers to deposit additional collateral and/or reduce positions when necessary. Since trading rules set a daily limit move for every futures contract, the Group's credit exposure under normal market conditions at the end of each trading day is generally not significant.

To mitigate risks, the Group also requests the customers to provide standard warehouse warrants or government bonds as collateral where appropriate. An operating procedure for such collateral has been developed, and there is a guideline to specify the suitability of accepting such collateral. Fair value of the collateral is estimated by the Group with reference to the latest prices of the underlying physical commodities of standard warehouse warrants or the latest tradable prices of government bonds.

The Group maintains an ECL model to recognize a loss allowance for assets carried at amortized cost. The Group assesses whether or not the credit risk of relevant instrument has increased significantly since the initial recognition and measures their impairment allowance, ECL and future variance in ECL under the "three stage" impairment model.

47. FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

(a) Forward-looking information incorporated in the ECL models

Both the assessment of significant increase in credit risk (SICR) and the calculation of ECL allowances incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables regarding credit risk for each portfolio.

(b) Impairment of financial assets

The Group's bank balances, bank balances held for clients, deposits with exchange-clearing organizations and refundable deposits are all deposited in banks and exchange-clearing organizations which have decent credit rating and no history of default. There are no unfavorable current conditions and forecast of future economic conditions for these assets at 30 June 2026 and 31 December 2025. Therefore, their credit risk is considered low and the expected credit loss is limited. For financial assets held under resale agreements, the Group receives sufficient debt securities or warehouse receipts as collateral. Therefore, the expected credit loss is immaterial.

(c) Maximum exposure to credit risk

Before considering collaterals or other credit enhancement methods, the maximum credit risk exposure is the carrying amount of financial assets (net of provisions for impairment). The maximum credit risk exposure is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash and bank balances	**3,777,977**	3,237,780
Deposits with exchange-clearing organizations	**25,026,864**	19,949,688
Bank balances on behalf of clients	**41,101,049**	37,102,562
Other current assets (excluding non-financial assets)	**90,910**	100,385
Commission receivable	**20,540**	36,749
Financial assets held under resale agreements	**12,975**	50,685
Financial assets at fair value through profit or loss	**3,730,803**	2,844,753
Derivative financial assets	**1,119,619**	838,978
	74,880,737	64,161,580

47. FINANCIAL RISK MANAGEMENT (Continued)

47.2 Market risk

Market risk is from loss in fair value of financial instruments or cash flows movement, due to key factors such as price risk, interest rate risk and currency risk.

(a) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's price risk exposure mainly relates to investments in equity securities, derivatives, asset management schemes, private securities investment funds and trust schemes with the underlying investments in equity instruments. The market prices of those financial instruments could lead to the fluctuation of investment value. A majority of these investments are traded in relevant capital markets, such as domestic and overseas futures exchanges as well as domestic stock exchanges. The Group is facing high market risk due to the volatility of those investments.

The Group's price risk management policy involves setting investment objectives, scales and loss cut limits for each individual investment. Two main measures are adopted by management level to mitigate the risk: (a) holding an appropriately diversified investment portfolio, setting limits for investments in different type of investments and monitoring the investment portfolio to reduce the risk of concentration in any one specific commodity type, industry or issuer; (b) monitoring the fluctuation of market price and execution of investment limit management.

Sensitivity analysis

The analysis below shows the impact on profit before income tax and other comprehensive income before income tax due to change in the prices of equity instruments and derivatives by 5%, assuming all other variables remain unchanged. A positive result indicates an increase in profit before income tax, while a negative result indicates otherwise.

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Profit before income tax		
Increase by 5%	**92,309**	43,457
Decrease by 5%	**(92,309)**	(43,457)
Other comprehensive income before income tax		
Increase by 5%	**2,069**	2,707
Decrease by 5%	**(2,069)**	(2,707)

47. FINANCIAL RISK MANAGEMENT (Continued)

47.2 Market risk (Continued)

(b) Interest rate risk

Interest rate risk is defined that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The main interest bearing assets of the Group are cash and bank balances, bank balances on behalf of clients, deposits with exchange-clearing organizations, financial assets held under resale agreements, and investments in debt instruments. The main interest bearing liabilities of the Group are accounts payable to brokerage clients, borrowing, and debt instrument issued. The interest rates of bank deposits are determined by the agreement established with banks, and the interest rate of deposits with exchange-clearing organizations is determined by the clearing organizations.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the interest rate risks for interest-bearing assets and liabilities. A 100 basis points increase or decrease in the relevant interest rates will be applied in the sensitivity analysis as possible reasonable shift, assuming all other variables remain unchanged. A positive result below indicates an increase in profit before income tax, while a negative result indicates otherwise.

	For six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Net interest income		
Increase by 100 bps	**510,844**	387,187
Decrease by 100 bps	**(510,844)**	(387,187)

When conducting interest rate sensitivity analysis, the Group makes the following general assumptions in determining commercial terms and financial parameters:

- different interest-bearing assets and interest-bearing liabilities have the same amplitude of interest rate volatility;
- analysis is based on the static gap on the financial position reporting date, without considering subsequent changes;
- impact of interest rate changes on customer behaviors not considered;
- impact of interest rate changes on market prices not considered;
- interest rate of demand deposits moving in the same direction and extent;
- necessary measures that may be adopted by the Group in response to interest rate changes not considered.

47. FINANCIAL RISK MANAGEMENT (Continued)

47.2 Market risk (Continued)

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Group's currency risk primarily relates to the Group's operating activities whose settlements and payments are denominated in foreign currencies different from the functional currency of the Group. The foreign currency assets and liabilities held by the Group are not material compared to the total assets and liabilities.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities due to lack of capital or funds. During the normal course of business, the Group may suffer from liquidity risk caused by macroeconomic policy changes, market volatility, poor operations, credit downgrades, mismatches between assets and liabilities, low turnover rate of assets, significant proprietary trading position, or an excessive high ratio of long-term investments. If the Group fails to address any liquidity risk by adjusting the asset structure or comply with regulatory requirements on the risk indicators, the Group could be faced with penalties by the regulatory authorities in the form of restrictions on the Group's business operations, which would cause bad effects on the Group's operations and reputation.

The Group manages and controls its funds in a centralized manner. The Group's liquidity risk management principles are comprehensiveness, prudence and foreseeability and its overall objective is to build a sound liquidity risk management system so that it can identify, measure, monitor and control liquidity risk effectively and ensure that the requirement of liquidity could be met timely with an appropriate cost.

The Group's finance department organizes the cash budget annually and sets up the fund plan based on it. Under the approval of the Company, the funds will be scheduled and arranged uniformly in order to ensure the consistency of funds demand and cost of the capital control.

After approved by the Board, the finance department decides the scale and the structure of a high quality liquid assets, by analysing the condition of the Company's business scale, total liability, financing ability, and duration of the asset and liability prudently, so as to improve the liquidity and the risk resistance.

The Group invests surplus cash above the balance required for working capital management in time deposits, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The table below analyzes financial instruments measured at fair value at the end of each reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

The following table presents the financial assets and liabilities that are measured at fair value at 30 June 2026 and 31 December 2025.

	As at 30 June 2026 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Financial assets at fair value through profit or loss:				
Debt securities	**3,630,033**	**100,770**	**–**	**3,730,803**
Equity instruments	**528,887**	**197,673**	**–**	**726,560**
Derivative financial assets	**1,010,789**	**–**	**108,830**	**1,119,619**
Financial assets at fair value through other comprehensive income	**13,257**	**26,730**	**1,400**	**41,387**
Financial liabilities at fair value through profit or loss	**–**	**32,706**	**–**	**32,706**
Derivative financial liabilities	**6,401**	**–**	**99,227**	**105,628**

	As at 31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss:				
Debt securities	2,844,753	–	–	2,844,753
Equity instruments	424,267	113,741	–	538,008
Wealth management products	–	80,046	–	80,046
Derivative financial assets	791,127	–	47,851	838,978
Financial assets at fair value through other comprehensive income	17,998	24,421	1,400	43,819
Financial liabilities at fair value through profit or loss	–	46,757	–	46,757
Derivative financial liabilities	4,188	–	45,306	49,494

There was no transfer between level 1, 2 and 3 in both years.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

(1) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in level 1.

(2) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of these instruments is determined by obtaining quoted prices directly from expert institutions (independent brokers, valuation firms or fund administrators). These quoted prices are regarded as observable market data because they are provided by third-party market participants that are independent of the Group and are based on recent transactions or market information for identical or similar assets. All significant inputs used in the valuations are observable (quoted prices from expert institutions). No material entity-specific estimates or unobservable inputs are applied.

For the six months ended 30 June 2026 and the year ended 31 December 2025, there are no significant transfers between level 1 and level 2 of the fair value hierarchy of the Group.

(3) Financial instruments in level 3

A financial instrument is included in level 3 if one or more of the significant inputs is not based on observable market data.

For financial assets classified as Level 3, the Company obtains net asset value reports provided by the relevant asset managers. These are calculated using valuation techniques that incorporate significant unobservable inputs. The measurement of its fair value incorporates unobservable inputs such as the volatility of different financial instrument, China's risk-free rate and discount rates.

The Group determines the fair value of the financial instrument by valuation techniques when it is difficult to obtain quotations from the open market.

The main parameters of valuation techniques used in financial instruments includes interest rate, stock and equity price, volatility level, prepayment rates, and the credits spreads of counterparty. All of these parameters can be observed and obtained from the open market.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

(3) Financial instruments in level 3 (Continued)

For financial assets measured at fair value through profit or loss, including wealth management products and funds purchased by the Group, the fair value is calculated based on valuations provided by their respective managers.

For hedged items, the Company determines their fair value based on the difference between the spot price at the period-end and the execution price of forward contracts.

For other equity instrument investments (futures membership investment qualifications) measured at fair value, the Company calculates their fair value based on the purchase cost of the futures membership qualifications.

For over-the-counter (OTC) options measured at fair value through profit or loss, the Company use valuation techniques, including option pricing models, to determine their fair value. These models incorporate unobservable parameters such as volatility.

For the interests of other unit holders in consolidated structured entities measured at fair value through profit or loss, the Company using the market prices of the underlying investments to calculate fair value.

As at 30 June 2026 and 31 December 2025, a 5% increase or decrease in the volatility applied in the valuation technique would result in insignificant changes in profit before income tax and profit after income tax, respectively.

As at 30 June 2026 and 31 December 2025, a 5% increase or decrease in the volatility applied in the valuation technique would result in insignificant changes in other comprehensive income.

49. EVENTS AFTER THE REPORTING PERIOD

On 10 August 2026, the Company completed the distribution of cash dividends for the year ended 2025. Cash dividends of RMB0.69 per 10 shares were paid to all shareholders, amounting in total to RMB49.13 million.

50. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 17 August 2026.