



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF NANHUA FUTURES CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We have reviewed the interim financial information set out on pages IA-3 to IA-30, which comprises the interim condensed consolidated statement of financial position of Nanhua Futures Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at September 30, 2025, and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended and selected explanatory notes (together, the “**Interim Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on the Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

Other Matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at December 31, 2024. The comparative information for the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows, and related explanatory notes, for the nine-month period ended September 30, 2024 has not been audited or reviewed.



Confucius International CPA Limited

Certified Public Accountants

Hong Kong

December 12, 2025

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Nine months ended September 30,	
		2025	2024
		RMB'000 (unaudited)	RMB'000 (unaudited)
Net commission and fee income	5	429,390	399,535
Net interest income	6	400,376	519,846
Including: Interest income		427,083	554,533
Interest expense		(26,707)	(34,687)
Net investment gains	7	72,882	63,313
Trade income		504	1,337
Other operating income	8	37,263	41,706
Operating income		<u>940,415</u>	<u>1,025,737</u>
Staff costs	9	(298,357)	(315,001)
Reversal/(Impairment losses) of impairment losses on financial assets, net	11	(8,869)	(19,243)
Depreciation and amortization	10	(40,579)	(40,213)
Trade expenses		(317)	(327)
Other operating expenses	12	(197,348)	(236,248)
Operating expenses		<u>(545,470)</u>	<u>(611,032)</u>
Operating profit		<u>394,945</u>	<u>414,705</u>
Share of profit or loss of associates		144	(428)
Other (losses)/gains, net	13	(1,307)	674
Profit before income tax		<u>393,782</u>	<u>414,951</u>
Income tax expenses	14	(41,944)	(56,429)
Profit for the period		<u><u>351,838</u></u>	<u><u>358,522</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Other comprehensive income		
Items that cannot be reclassified into profit or loss:		
Fair value changes of other equity instrument investments	2,165	2,740
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(28,270)	(4,611)
Other comprehensive income attributable to Shareholders of the Company for the period, net of tax	(26,105)	(1,871)
Other comprehensive income attributable to non-controlling interests for the period, net of tax	31	(3)
Total comprehensive income for the period	325,764	356,648
Profit attributable to:		
Shareholders of the Company	351,449	358,333
Non-controlling interests	389	189
Total comprehensive income attributable to:		
Shareholders of the Company	325,344	356,462
Non-controlling interests	420	186
Earnings per share attributable to shareholders of the Company for the period (expressed in RMB per share)		
Basic earnings per share	0.58	0.59
Diluted earnings per share	0.58	0.59

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at September 30,	As at December 31,
	Notes	2025	2024
		RMB'000	RMB'000
		(unaudited)	
Assets			
Non-current assets			
Property, plant and equipment	16	225,131	226,230
Investment properties		21	79
Right-of-use assets	17	183,392	186,341
Intangible assets	18	8,686	8,025
Investments in associates		1,920	1,777
Deferred income tax assets	19	16,224	2,458
Other non-current assets	20	46,338	36,364
Total non-current assets		<u>481,712</u>	<u>461,274</u>
Current assets			
Deposits with exchange-clearing organizations	21	19,676,784	11,782,759
Other current assets	22	253,577	313,241
Prepayments and trade receivables		54,407	38,482
Commission receivable		10,389	13,433
Buyback financial assets		31,247	–
Financial assets at fair value through profit or loss	23	3,207,754	1,968,109
Derivative financial assets	24	704,681	410,360
Financial assets at fair value through other comprehensive income		52,056	50,616
Bank balances held for clients		37,330,323	31,551,141
Cash and bank balances	25	2,276,115	2,273,982
Total current assets		<u>63,597,333</u>	<u>48,402,123</u>
Total assets		<u><u>64,079,045</u></u>	<u><u>48,863,397</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at September 30,	As at December 31,
	Notes	2025	2024
		RMB'000 (unaudited)	RMB'000
Equity			
Equity attributable to shareholders of the Company		4,394,665	4,115,254
Share capital	33	610,066	610,066
Capital reserve		1,140,629	1,140,629
Other reserves		395,788	417,705
Retained earnings		2,248,182	1,946,854
Non-controlling interests		10,006	9,586
Total equity		<u>4,404,671</u>	<u>4,124,840</u>
Liabilities			
Non-current liabilities			
Debt instrument issued	26	503,612	511,611
Lease liabilities	27	20,139	18,213
Deferred income tax liabilities	19	796	2,144
Employee benefit obligations	28	1,791	1,742
Total non-current liabilities		<u>526,338</u>	<u>533,710</u>
Current liabilities			
Trade and other payables	29	934,634	716,815
Lease liabilities		16,079	18,355
Current tax liabilities		29,220	12,449
Borrowings	30	557,936	380,677
Financial liabilities at fair value through profit or loss	31	33,659	32,172
Derivative financial liabilities		62,831	80,710
Employee benefit obligations	28	77,320	135,887
Accounts payable to brokerage clients	32	57,182,497	42,596,980
Commission payable		16,919	5,715
Futures investors' security funds payable		779	750
Futures risk reserves		236,162	224,337
Total current liabilities		<u>59,148,036</u>	<u>44,204,847</u>
Total liabilities		<u>59,674,374</u>	<u>44,738,557</u>
Total equity and liabilities		<u>64,079,045</u>	<u>48,863,397</u>
Net current assets		<u>4,449,297</u>	<u>4,197,276</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of the Company					
	Share capital	Capital reserve	Other reserves	Retained earnings	Subtotal	Non- controlling interests
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2025	610,066	1,140,629	417,705	1,946,854	4,115,254	9,586
						4,124,840
Profit for the period	-	-	-	351,449	351,449	389
Other comprehensive income for the period	-	-	(26,105)	-	(26,105)	31
						351,838
						(26,074)
Total comprehensive income for the period	-	-	(26,105)	351,449	325,344	420
						325,764
Dividends	-	-	-	(45,933)	(45,933)	-
Appropriation to general reserves	-	-	4,188	(4,188)	-	-
						(45,933)
						-
Balance at September 30, 2025	610,066	1,140,629	395,788	2,248,182	4,394,665	10,006
<i>(unaudited)</i>						4,404,671

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of the Company					
	Share capital	Capital reserve	Other reserves	Retained earnings	Subtotal	Non- controlling interests
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						Total equity RMB'000
Balance at January 1, 2024	610,066	1,190,728	360,309	1,542,274	3,703,377	9,542
						3,712,919
Profit for the period	-	-	-	358,333	358,333	189
Other comprehensive income for the period	-	-	(1,871)	-	(1,871)	(3)
						358,522
						(1,874)
Total comprehensive income for the period	-	-	(1,871)	358,333	356,462	186
						356,648
Dividends	-	-	-	(40,264)	(40,264)	-
Appropriation to general reserves	-	-	4,412	(4,412)	-	-
Repurchase of shares	-	(50,099)	-	-	(50,099)	-
						(50,099)
Balance at September 30, 2024	610,066	1,140,629	362,850	1,855,931	3,969,476	9,728
<i>(unaudited)</i>						3,979,204

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,	
	<i>Notes</i>	
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities		
Profit before income tax	393,782	414,951
Adjustments for:		
Depreciation and amortization	40,579	40,213
Provision of impairment losses	8,869	19,243
Net increase in futures risk reserves	11,835	11,502
Net gains on disposal of property, plant and equipment and intangible assets	(315)	(154)
Investment gains	(85,763)	(38,744)
Share of profit or loss of associates	(144)	428
Interest expenses	25,695	33,392
Interest income from bank deposits	(19,644)	(29,159)
	<u>374,894</u>	<u>451,672</u>
Net increase in operating assets:		
Net (increase)/decrease in bank balances held for clients	(5,779,182)	(7,067,156)
Net (increase)/decrease in deposits with exchange-clearing organizations	(7,894,025)	(2,832,935)
Net decrease/(increase) in other operating assets	(8,204)	(133,346)
	<u>(13,681,411)</u>	<u>(10,033,437)</u>
Net increase in operating liabilities:		
Net increase in accounts payable to brokerage clients	14,585,517	10,149,969
Net increase/(decrease) in other operating liabilities	185,957	(1,079,287)
	<u>14,771,474</u>	<u>9,070,682</u>
Income tax paid	<u>(36,666)</u>	<u>(50,402)</u>
Net cash inflow/(outflow) from operating activities	<u><u>1,428,291</u></u>	<u><u>(561,485)</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Cash flows from investing activities		
Net cash flow from proceeds on disposal of property, plant and equipment, intangible assets and other long-term assets	(25,177)	(11,363)
Net cash flow from investment of financial instruments	(1,485,928)	296,759
Net cash flow from other investing activities	180,712	595,747
Net cash (outflow)/inflow from investing activities	<u>(1,330,393)</u>	<u>881,143</u>
Cash flows from financing activities		
Net Cash flow received from issuing bonds	498,525	–
Cash received from borrowings	453,400	176,278
Cash paid for distribution of dividend and repayment of interests	(79,078)	(80,558)
Cash paid for repayment of debts	(776,172)	(382,380)
Net cash flow from other financing activities	(15,854)	(62,281)
Net cash inflow/(outflow) from financing activities	<u>80,821</u>	<u>(348,941)</u>
Effect of exchange rate changes on cash and cash equivalents	(7,501)	(2,584)
Net (decrease)/increase in cash and cash equivalents	<u>171,218</u>	<u>(31,867)</u>
Cash and cash equivalents at the beginning of the year/period	<u>1,038,837</u>	<u>772,633</u>
Cash and cash equivalents at the end of the year/period	<u><u>1,210,055</u></u>	<u><u>740,766</u></u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

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. After the conversion, the registered share capital of the Company was RMB640 million 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 No. 91330000100023242A. The registered address of the Company is Hengdian Building, Shangcheng District, Hangzhou City, Zhejiang Province.

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.

2 BASIS OF PREPARATION

2.1 Basis of preparation

This interim condensed consolidated financial information, comprising the interim condensed consolidated statement of financial position as at September 30, 2025, the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months ended September 30, 2025 (collectively referred to as the “**Interim Financial Information**”), has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (“**IASB**”).

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 (the “**Historical Financial Information**”) as disclosed in Appendix I to the prospectus issued by Nanhua Futures Co., Ltd. (the “**Company**”).

This Interim Financial Information includes consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the latest annual consolidated financial statements as at and for the year ended December 31, 2024. The interim condensed consolidated financial statements and the notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards (“**IFRS**”). Accordingly, this unaudited Interim Financial Information should be read in conjunction with the Historical Financial Information and the related notes thereto.

2.2 New and amendments to standards not yet adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined
Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2026
Annual Improvements – Volume 11 IFRS accounting standards	January 1, 2026
Amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature-dependent Electricity'	January 1, 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027

The directors have performed assessment on the new standards and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group's consolidated financial statements when they become effective, except for IFRS 18 which will mainly impact the presentation of profit and loss statements.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

2.3 Critical Accounting Estimates and Judgements

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Historical Financial Information.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and price risk. The Group's overall risk management focuses on the unpredictability of financial markets, seeks a balance between risk and return and minimizes the adverse impact of risk on the Group's finance performance. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Historical Financial Information. There were no significant changes in any material risk management policies during the nine months ended September 30, 2025.

3.2 Impairment of financial instruments

As at December 31, 2024, and as at September 30, 2025, the ECL rate of receivables are determined as follows:

	As at December 31,	As at September 30,
	2024	2025
Deposits with exchange-clearing organizations	0.45%	0.28%
Trade receivables	5.03%	5.10%
Other current assets	12.71%	8.61%
Commission receivable	5.00%	5.00%

3.3 Fair value of financial assets and liabilities

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).

The following table presents the financial assets and liabilities that are measured at fair value at December 31, 2024 and as at September 30, 2025.

	As at September 30, 2025			
	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	2,680,137	—	—	2,680,137
Equity instruments	370,164	—	157,453	527,617
Derivative financial assets	662,524	—	42,157	704,681
Financial assets at fair value through other comprehensive income	18,927	—	33,129	52,056
Other current assets – Inventory – hedged items	—	—	99,333	99,333
Other current assets – hedged items	—	—	3,459	3,459
Financial liabilities at fair value through profit or loss	—	—	33,659	33,659
Derivative financial liabilities	—	—	62,831	62,831
	As at December 31, 2024			
	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	1,360,052	—	—	1,360,052
Equity instruments	256,713	—	151,344	408,057
Wealth management products	—	—	200,000	200,000
Derivative financial assets	366,815	—	43,545	410,360
Financial assets at fair value through other comprehensive income	16,997	—	33,619	50,616
Other current assets – Inventory	—	—	176,454	176,454
Other current assets – hedged items	—	—	9,942	9,942
Financial liabilities at fair value through profit or loss	—	—	32,172	32,172
Derivative financial liabilities	—	—	80,710	80,710

(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.

For the nine months ended September 30, 2024 and 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.

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.

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 December 31, 2024 and as at September 30, 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 before income tax, respectively.

As at December 31, 2024 and as at September 30, 2025, a 5% increase or decrease in the volatility applied in the valuation technique would result in insignificant changes in other comprehensive income.

3.4 Capital management

The Group's objectives of capital management are:

- To safeguard the ability of the Company and its subsidiary to continue as a going concern so that they could make profits and benefits for shareholders or other stakeholders;
- To support the stability and growth of the Company and its subsidiary;
- To maintain a strong capital base to support the development of their business; and
- To comply with the capital requirements under the PRC regulations.

According to the “Administrative Measures Concerning Risk Control Indicators for Future Companies” (《期貨公司風險監管指標管理辦法》) issued by the CSRC on 18 April 2017, the Company is required to meet the following risk control requirements on a continual basis:

- The net capital shall be no less than RMB30,000,000;
- The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;
- The ratio of net capital divided by net assets shall be no less than 20%;
- The ratio of current assets divided by current liabilities shall be no less than 100%;
- The ratio of liabilities divided by net capital shall be no greater than 150%;
- The clearing settlement funds shall be greater than RMB26,800,000.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

The Group manages its capital risk through timely monitoring, evaluating, reporting and comparing with target position of capital management, and the Group takes on a series of measures such as assets growth control, structure adjustment, internal or external capital accumulation, to make sure all the requirements of monitoring could be met as well as continuous improvement across its business.

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.

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

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

Others: businesses not included in the above four segments.

Segment information for the nine months ended September 30, 2025 is as follows:

	PRC Futures Brokerage	PRC Wealth Management	PRC Risk Management Services	Overseas Financial Services	Others	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Operating income	356,497	42,811	30,298	505,696	5,113	940,415
Operating expenses	(288,698)	(58,691)	(52,378)	(145,703)	–	(545,470)
Share of profits or loss of associates	206	–	(62)	–	–	144
Other (losses)/gains, net	–	–	72	5	(1,384)	(1,307)
Profit before income tax	68,005	(15,880)	(22,070)	359,998	3,729	393,782
Income tax expenses						(41,944)
Profit for the period						351,838
Total assets	39,784,494	608,600	1,989,660	20,447,346	1,248,945	64,079,045
Total liabilities	36,926,360	342,025	2,085,263	19,161,260	1,159,466	59,674,374
Other segment information:						
Depreciation and amortisation	32,760	1,848	615	5,356	–	40,579
Capital expenditure	14,703	170	466	4,339	–	19,678

Segment information for the nine months ended September 30, 2024 is as follows:

	PRC Futures Brokerage	PRC Wealth Management	PRC Risk Management Services	Overseas Financial Services	Others	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Operating income	371,602	53,781	109,959	484,509	5,886	1,025,737
Operating expenses	(319,637)	(67,111)	(88,550)	(135,734)	–	(611,032)
Share of profits or loss of associates	(419)	–	(9)	–	–	(428)
Other (losses)/gains, net	–	(16)	3,649	(1,452)	(1,507)	674
Profit before income tax	51,546	(13,346)	25,049	347,323	4,379	414,951
Income tax expenses						(56,429)
Profit for the period						358,522
Total assets	27,374,989	821,129	3,697,720	13,285,964	460,205	45,640,007
Total liabilities	25,020,259	578,190	3,231,714	12,414,062	416,579	41,660,804
Other segment information:						
Depreciation and amortisation	33,240	2,438	906	3,629	–	40,213
Capital expenditure	2,022	75	466	615	–	3,178

5 NET COMMISSION AND FEE INCOME

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Futures brokerage services	364,595	326,831
Asset management services	17,821	18,205
Mutual fund services	39,405	43,690
Other commission income	7,569	10,809
	<u>429,390</u>	<u>399,535</u>

6 NET INTEREST INCOME

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income from own funds	40,003	73,619
Interest income from client funds	387,080	480,914
Interest expense on loan, bonds and others	(25,695)	(33,392)
Consolidated structured entities' distribution	(1,012)	(1,295)
	<u>400,376</u>	<u>519,846</u>

7 NET INVESTMENT GAINS

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net realized gains/(losses) of		
– Financial assets at fair value through profit or loss	84,173	(416,974)
– Financial liabilities at fair value through profit or loss	56,319	316,563
– Others	(1,304)	23,537
Unrealized fair value changes of		
– Financial assets at fair value through profit or loss	(31,648)	139,750
– Financial liabilities at fair value through profit or loss	(22,081)	(29,107)
– Executory contracts	(8,966)	14,681
– Physical commodities	(5,932)	17,396
Exchange losses	2,321	(2,533)
	<u>72,882</u>	<u>63,313</u>

8 OTHER OPERATING INCOME

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Government grants	786	962
"Insurance + Futures" income	6,746	25,878
Other income	29,731	14,866
	<u>37,263</u>	<u>41,706</u>

9 STAFF COSTS

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Salaries and bonus	237,872	262,475
Pension	37,537	34,878
Other social securities	13,536	12,926
Labour union charge and employee education charge	3,024	3,371
Other welfares	6,388	1,351
	<u>298,357</u>	<u>315,001</u>

10 DEPRECIATION AND AMORTIZATION

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Depreciation of right-of-use assets	17,984	15,331
Depreciation of property, plant and equipment	18,305	19,375
Amortization of intangible assets	2,530	2,422
Amortization of long-term deferred expenses	1,702	3,027
Depreciation of investment properties	58	58
	<u>40,579</u>	<u>40,213</u>

11 IMPAIRMENT LOSSES/(REVERSAL) OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Net impairment losses on dealers	8,869	19,243
Net impairment losses on accounts receivable	—	—
	<u>8,869</u>	<u>19,243</u>

12 OTHER OPERATING EXPENSES

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Information service fees	40,425	43,728
Office expenses	26,456	26,605
Information system maintenance fees	23,635	23,413
Property maintenance fees	10,976	13,935
Consulting expenses	14,351	17,239
Futures investors protection fund	773	494
Marketing and distribution expenses	8,372	11,168
Service costs	8,914	10,885
“Insurance + Futures” expenses	7,660	26,929
Taxes and surcharges	5,429	6,250
Risk reserves	11,835	11,502
Impairment losses on assets	(278)	(1,747)
Other expenses	38,800	45,847
	<u>197,348</u>	<u>236,248</u>

13 OTHER (LOSSES)/GAINS, NET

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Breach penalty	(227)	(107)
Donation	(123)	(1,550)
Others	(957)	2,331
	<u>(1,307)</u>	<u>674</u>

14 INCOME TAX EXPENSES

	Nine months ended September 30,	
	2025	2024
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current income tax expenses	57,059	50,817
Deferred income tax expenses	(15,115)	5,612
	<u>41,944</u>	<u>56,429</u>

The Chinese mainland 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: 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%, and other Singapore subsidiaries are subject to 17%. Nanhua Financial (UK) Co. Limited, registered in the UK, was subject to a CIT rate of 19% for the period up to March 2023. For the period from April 2023 onwards, the applicable rate increased to 25%. The U.S. subsidiaries are subject to a CIT rate of 30.5%, the Cayman Islands/Virgin Islands entities are subject to a CIT rate of 0%.

15 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.

	Nine months ended September 30,	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit attributable to shareholders of the Company <i>(in RMB thousands)</i>	351,449	358,333
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	<u>610,066</u>	<u>610,066</u>
Basic earnings per share <i>(in RMB)</i>	<u>0.58</u>	<u>0.59</u>

(2) Diluted earnings per share

For the nine months ended September 30, 2024 and 2025, there are no potential diluted ordinary shares, so the diluted, earnings per share is the same as the basic earnings per share.

16 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronics and other equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost				
As at January 1, 2024	192,750	2,597	119,769	315,116
Purchase	1,801	182	4,895	6,878
Currency translation differences	367	–	–	367
Disposals	–	–	(3,367)	(3,367)
As at December 31, 2024	194,918	2,779	121,297	318,994
Accumulated depreciation				
As at January 1, 2024	(12,105)	(1,833)	(58,287)	(72,225)
Additions	(5,547)	(216)	(17,338)	(23,101)
Disposals	–	–	2,562	2,562
As at December 31, 2024	(17,652)	(2,049)	(73,063)	(92,764)
Carrying amount				
As at December 31, 2024	177,266	730	48,234	226,230
Cost				
As at January 1, 2025	194,918	2,779	121,297	318,994
Purchase	–	–	17,300	17,300
Currency translation differences	–	–	–	–
Disposals	–	–	(1,467)	(1,467)
As at September 30, 2025	194,918	2,779	137,130	334,827
Accumulated depreciation				
As at January 1, 2025	(17,652)	(2,049)	(73,063)	(92,764)
Additions	(4,168)	(167)	(13,970)	(18,305)
Disposals	–	–	1,373	1,373
As at September 30, 2025	(21,820)	(2,216)	(85,660)	(109,696)
Carrying amount				
As at September 30, 2025 (<i>unaudited</i>)	173,098	563	51,470	225,131

17 RIGHT-OF-USE ASSETS

The Group

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Cost		
At the beginning of the year/period	259,544	253,627
Purchase	19,802	26,545
Transfer from investment properties	—	—
Disposals	(14,859)	(20,628)
At the end of the year/period	264,487	259,544
Accumulated depreciation		
At the beginning of the year/period	(73,203)	(69,161)
Charges	(17,984)	(22,878)
Transfer from investment properties	—	—
Disposals	10,092	18,836
At the end of the year/period	(81,095)	(73,203)
Carrying amount		
At the end of the year/period	183,392	186,341

18 INTANGIBLE ASSETS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Cost		
At the beginning of the year/period	21,241	20,743
Additions	3,191	2,494
Disposals	—	(1,996)
At the end of the year/period	24,432	21,241
Accumulated depreciation		
At the beginning of the year/period	(13,216)	(12,389)
Additions	(2,530)	(2,822)
Disposals	—	1,995
At the end of the year/period	(15,746)	(13,216)
Carrying amount		
At the end of the year/period	8,686	8,025

The balances of intangible assets comprise of computer software. The amortization period of computer software is 5 to 10 years.

19 DEFERRED INCOME TAX ASSETS AND LIABILITIES

As at September 30, 2025				
	Temporary differences	Deferred income tax assets	Temporary differences	Deferred income tax liabilities
	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Fair value changes of financial instruments	47,168	11,792	16,373	9,705
Lease liabilities	35,875	8,958	–	–
Interest payable	3,600	900	–	–
Right-of-use assets	–	–	38,862	4,094
Others	30,307	7,577	–	–
	<u>116,950</u>	<u>29,227</u>	<u>55,235</u>	<u>13,799</u>
As at December 31, 2024				
	Temporary differences	Deferred income tax assets	Temporary differences	Deferred income tax liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fair value changes of financial instruments	22,050	5,512	62,357	15,589
Lease liabilities	20,200	5,031	–	–
Interest payable	13,403	3,351	–	–
Right-of-use assets	–	–	22,346	5,569
Others	30,310	7,578	–	–
	<u>85,963</u>	<u>21,472</u>	<u>84,703</u>	<u>21,158</u>

Offsetting of deferred income tax assets and liabilities:

	As at September 30, 2025		As at December 31, 2024	
	Offsetting amount	After offsetting	Offsetting amount	After offsetting
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets	(13,003)	16,224	(19,014)	2,458
Deferred income tax liabilities	(13,003)	796	(19,014)	2,144

20 OTHER NON-CURRENT ASSETS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Long-term deferred expenses	28,716	18,651
Prepayments	755	–
Contract fulfilment costs	3,662	8,069
Others	13,205	9,644
	<u>46,338</u>	<u>36,364</u>

21 DEPOSITS WITH EXCHANGE-CLEARING ORGANIZATIONS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Currency margin receivable	18,230,421	10,595,685
Pledge margin receivable	1,103,992	900,050
Settlement guarantees receivable	287,654	258,290
Settlement provisions	54,717	28,734
	<u>19,676,784</u>	<u>11,782,759</u>

22 OTHER CURRENT ASSETS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Exchange performance securities	110,640	51,809
Inventories	99,333	204,126
Hedged items	3,459	9,942
Deductible VAT	34,861	40,777
Others	16,202	15,063
Credit loss	(10,918)	(8,476)
	<u>253,577</u>	<u>313,241</u>

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Debt securities	2,680,137	1,360,052
Financing products	—	200,000
Equity instruments	527,617	408,057
	<u>3,207,754</u>	<u>1,968,109</u>

24 DERIVATIVE FINANCIAL ASSETS

	As at September 30,			As at December 31,		
	2025			2024		
	Fair value			Fair value		
	RMB'000			RMB'000		
	(unaudited)					
	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
OTC options	53,182,049	41,981	62,831	64,392,564	43,545	80,710
Futures contracts	—	662,700	—	—	366,815	—
	<u>53,182,049</u>	<u>704,681</u>	<u>62,831</u>	<u>64,392,564</u>	<u>410,360</u>	<u>80,710</u>

25 CASH AND BANK BALANCES

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Cash in treasury	50	51
Deposits	39,540,521	33,745,505
Less: Futures margin deposits	(37,077,405)	(31,311,170)
Margins of brokerage business	(252,918)	(239,971)
Others	65,867	79,567
Total	<u>2,276,115</u>	<u>2,273,982</u>

26 DEBT INSTRUMENT ISSURED

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
22 Nanhua C1	—	307,562
22 Nanhua C2	—	204,049
25 Nanhua C1	503,612	—
	<u>503,612</u>	<u>511,611</u>

27 LEASE LIABILITIES

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Within 1 year	16,079	18,355
Over 1 year	20,139	18,213
	<u>36,218</u>	<u>36,568</u>

28 EMPLOYEE BENEFIT OBLIGATIONS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Short-term employee benefits	77,320	35,887
Long-term defined contribution plans	1,791	1,742
	<u>79,111</u>	<u>137,629</u>

29 TRADE AND OTHER PAYABLES

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Derivatives performance securities	846,142	617,975
Hedged items	5,880	3,396
Payables for construction and software	31,880	28,247
Non-current liability matured within one year	1,615	2,636
Taxes other than current tax liabilities	6,121	6,528
Trade payables	1,308	5,641
Others	41,688	52,392
	<u>934,634</u>	<u>716,815</u>

The changes in trade and other payables are primarily driven by fluctuations in derivatives performance securities. When clients engage in derivative transactions, they are required to post margin with the Group. The amount of derivatives performance securities varies in accordance with the scale of the clients' derivative trading activities.

30 BORROWINGS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Pledged loan	16,879	64,051
Credit loan	541,057	316,626
	<u>557,936</u>	<u>380,677</u>

As at December 31, 2024 and as at September 30, 2025, borrowings above were short-term borrowings, the annual interest rate of these short-term borrowings was ranged from 1.67% to 5.41%, 3.45% to 7.10%, 3.35% to 7.10%, and 3.10% to 5.85% respectively.

31 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Structured entities included in the consolidated financial statement	<u>33,659</u>	<u>32,172</u>

32 ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

	As at September 30,	As at December 31,
	2025	2024
	(unaudited)	
Currency margins payable	55,841,743	41,468,145
Pledge margins payable	1,103,992	900,050
Acting trading securities	236,762	228,785
	<u>57,182,497</u>	<u>42,596,980</u>

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:

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
Registered, issued and fully paid share capital	<u>610,066</u>	<u>610,066</u>

34 RELATED PARTY TRANSACTIONS

(1) Related parties

(i) Parent entities

Name	Place of registration	Direct equity interest	
		As at September 30,	As at December 31,
		2025	2024
		(unaudited)	
Hengdian Group Holding Co., Ltd.	Zhejiang, PRC	69.98	69.98

The Company's ultimate holding company is Dongyang Hengdian Social Organization and Economic Enterprise association.

(2) Material related party transactions and balances

- 1) Some related parties have subscribed to subordinated debt shares through the Company. The details are as follows:

		As at September 30,	As at December 31,
		2025	2024
		RMB'000	RMB'000
		(unaudited)	
Name of the debt			
China Zheshang Bank Co., Ltd.	Nanhua Futures 2022 Subordinated Bonds (Series I and Series II)	–	63,000
China Zheshang Bank Co., Ltd.	Nanhua Futures 2025 Private Placement of Subordinated Bonds for Professional Investors	100,000	–
		100,000	63,000

- 2) Deposit balances with some related parties are as follows:

	As at September 30,	As at December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	
China Zheshang Bank Co., Ltd.	2,265,003	3,384,496

- 3) Intercompany borrowings (non-trade)

The balances of intercompany borrowings due to China Zheshang Bank Co., Ltd at the end of the years/ period represent liquidity loans. The balances will not be settled prior to listing.

	As at September 30,	As at December 31,
Borrower	2025	2024
	RMB'000	RMB'000
	(unaudited)	
China Zheshang Bank Co., Ltd.	92,331	47,274

35 EVENTS OCCURRING AFTER THE REPOTRING PERIOD

There are no other material subsequent event undertaken by the Company or by the Group after 30 September 2025.