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 横華國際 through our Hong Kong subsidiaries)

(Stock Code: 2691)

Change in Accounting Estimates

Nanhua Futures Co., Ltd. (the "**Company**") makes this announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. Overview of the Change in Accounting Estimates

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 proposes to make 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 details are set out as follows:

(I) Background and Reasons for the Change

With the continuous expansion of its overseas financial services business and the fluctuations in the external operating environment, the Company has been continuously strengthening the level of refined management of counterparties and monetary margin receivables and settlement reserve fund for its futures brokerage business. In order to manage operating risks more effectively, the Company proposes to adjust the categories of credit risk characteristic portfolios for monetary margin receivables and settlement reserve fund, based on the composition of counterparties for monetary margin receivables and settlement reserve fund as well as the margin collection from different types of counterparties in recent years, so as to reflect the financial position and operating results of the Company more objectively and fairly.

(II) Details of the Accounting Estimate Change

1. Classification of Portfolio Categories Before the Change

Based on the risk attributes of its counterparties and its credit management policies, the Company classifies monetary margin receivables and settlement reserve fund into three credit risk characteristic portfolios according to their credit risk characteristics, namely the "receivables from exchanges and commercial banks portfolio", the "mutual trust portfolio", and the "other portfolio". Among them, the counterparties of the mutual trust portfolio and the other portfolio are mainly domestic and overseas mutual trust intermediaries and other institutions with low credit risk.

2. Classification of Portfolio Categories After the Change

Based on the comprehensive credit status of the counterparties and the actual historical losses incurred, the Company intends to merge the "mutual trust portfolio" and "other portfolio" into the "low-risk counterparty portfolio". The expected credit losses for such portfolio will be calculated by comprehensively considering the credit ratings of the counterparties (with reference to international ratings and the Company's internal ratings), their current conditions, and forecasts of future economic conditions.

(III) Date of Change

The change in accounting estimates was implemented from January 1, 2026.

II. Impact of the Change in Accounting Estimates on the Company

Based on a calculation using the balance and structure of monetary margin receivables and settlement reserve fund as at December 31, 2025, and on the assumption that there will be no material changes in the balance and structure of the Company's monetary margin receivables and settlement reserve fund as at December 31, 2026, the change in accounting estimates is expected to increase the Company's profit before tax for 2026 by no more than RMB40 million.

The change in accounting estimates will be accounted for by prospective application, and no retrospective adjustment is required for the financial reports already disclosed. Therefore, it will have no impact on the financial position and operating results of previous years. For the three years prior to the date of this change in accounting estimate, assuming the application of such accounting estimate, it would not have a material impact on the total profit, net assets, and total assets of the consolidated financial statements of the Company, and would not affect the overall judgment of investors regarding the Company.

III. Deliberations of the Audit Committee

The Company held a meeting of the audit committee of the board of directors (the "**Audit Committee**") on March 26, 2026, at which the Proposal on Change in Accounting Estimates was considered and approved. The meeting is of the view that the change in accounting estimates by the Company is in line with the actual situation of the Company and the relevant provisions of the Accounting Standards for Business Enterprises, the implementation of the changed accounting estimates can reflect the financial position and operating results of the Company more objectively and fairly; it does not involve retrospective adjustments to the financial reports already disclosed by the Company, nor will it have an impact on the financial position and operating results of the Company for previous years; and there is no circumstance that prejudices the interests of the Company and its shareholders, especially its minority shareholders. The Audit Committee agreed to the change in accounting estimates and agreed to submit the proposal to the board of directors of the Company (the "**Board**") for consideration.

IV. Deliberations of the Board

The Company held the seventh meeting of the fifth session of the Board on March 27, 2026. The Board is of the view that the change in accounting estimates can reflect the financial position and operating results of the Company more objectively and fairly, are in line with the actual situation of the Company, and there is no circumstance that prejudices the interests of the Company and its shareholders.

Cautionary Statement

The Board hereby reminds the shareholders and investors of the Company that the above estimated financial data is based on a preliminary assessment by the Company's management based on currently available information and the unaudited accounts. Such data have not been reviewed or audited by the Company's auditor. The specific data shall be subject to the disclosure in the Company's annual results for 2026 to be published. Shareholders and investors of the Company should not place undue reliance on such data.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Nanhua Futures Co., Ltd.
南華期貨股份有限公司
Dr. Luo Xufeng
Chairperson of the Board and Executive Director

Hangzhou, the PRC, March 27, 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.