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**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)**

# REVISION OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

**BACKGROUND**

Reference is made to the prospectus of the Company dated December 12, 2025 in relation to, among other things, the Procurement Framework Agreement entered into between the Company and Hengdian Holdings and the continuing connected transactions thereunder.

The Board hereby announces that the Board has reviewed and assessed the continuing connected transactions under the Procurement Framework Agreement and having considered the increased demand for the goods and services purchased from Hengdian Holdings Group as a result of the business expansion of the Group, it is expected that the existing annual caps under the Procurement Framework Agreement will not be sufficient to meet the business needs of the Group. Accordingly, on March 27, 2026, the Company entered into the Supplemental Agreement with Hengdian Holdings to revise the annual caps of the continuing connected transactions under the Procurement Framework Agreement for the two years ending December 31, 2027.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Hengdian Holdings, being the controlling shareholder of the Company, holds approximately 59.23% of the equity interest of the Company. Hengdian Holdings is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company anticipates that the continuing connected transactions under the Procurement Framework Agreement will exceed the previously announced annual cap, the Company shall be required to re-comply with the applicable requirements in relation to such transactions before the annual cap is exceeded.

As the highest applicable percentage ratios calculated pursuant to the Revised Annual Cap under the Procurement Framework Agreement (as amended by the Supplemental Agreement) is more than 0.1% but less than 5%, the continuing connected transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) and the revised annual caps are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempted from the independent Shareholders' approval requirement.

## BACKGROUND

Reference is made to the prospectus of the Company dated December 12, 2025 in relation to, among other things, the Procurement Framework Agreement entered into between the Company and Hengdian Holdings and the continuing connected transactions thereunder.

The Board hereby announces that the Board has reviewed and assessed the continuing connected transactions under the Procurement Framework Agreement and having considered the increased demand for the goods and services purchased from Hengdian Holdings Group as a result of the business expansion of the Group, it is expected that the existing annual caps under the Procurement Framework Agreement will not be sufficient to meet the business needs of the Group. Accordingly, on March 27, 2026, the Company entered into the Supplemental Agreement with Hengdian Holdings to revise the annual caps of the continuing connected transactions under the Procurement Framework Agreement for the two years ending December 31, 2027.

## SUPPLEMENTAL AGREEMENT AND REVISED ANNUAL CAP

The principal terms of the Supplemental Agreement are set out below:

Date: March 27, 2026

Parties: (i) the Company; and

(ii) Hengdian Holdings

Revision of annual cap:

| | **For the year ending December 31, 2026** *(RMB)* | **For the year ending December 31, 2027** *(RMB)* |
|---|---|---|
| Existing annual cap | 1,000,000 | 1,000,000 |
| Revised annual cap ("**Revised Annual Cap**") | 7,000,000 | 7,000,000 |

Except for the above amendments, all other terms of the Procurement Framework Agreement remained unchanged.

## PRICING POLICY

The pricing of the transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) shall be determined by the Group and Hengdian Holdings Group on normal commercial terms through arm's length negotiation, subject to applicable laws and regulations and with reference to, among other things, the costs, quantities, quality and reliability of relevant goods and services, the prevailing market price and other terms such as payment terms. In assessing the prevailing market price, the Group shall follow the following principles: (i) where PRC government-set prices or PRC government-guided prices are available for the goods or services, such prices may be used as reference; (ii) where such prices are not available or applicable, the Group shall compare similar products, services, and publicly quoted prices in the market, and use a price comparison mechanism to ensure that the prices and terms offered by Hengdian Holdings Group are no less favorable than those the Group may obtain from transactions with independent third parties.

## BASIS OF DETERMINATION OF THE REVISED ANNUAL CAP

The Revised Annual Cap was determined with reference to, among other things, (i) the transaction amount of RMB458,000 incurred by the Company up to March 27, 2026, and it is expected that, as the Company's business scale expands, the demand for goods and services related to employee benefits (including but not limited to food, vouchers, daily necessities, electronic products, accommodation, etc.) will increase accordingly; (ii) meanwhile, considering that the customer base will grow alongside the expansion of the Group's business scope, the Group's demand for office equipment, meeting facilities, property management and business entertainment services will further increase. According to the Group's business strategy, if the terms and conditions offered by Hengdian Holdings Group to the Group are more favourable compared to those offered by other independent third-party suppliers, the Group will procure the relevant goods and services from Hengdian Holdings Group more frequently than from other independent third-party suppliers.

As of the date of this announcement, the continuing connected transactions entered into between the Company and Hengdian Holdings pursuant to the Procurement Framework Agreement have not exceeded the existing annual cap for the year ending December 31, 2026 under the Procurement Framework Agreement.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Company has been procuring goods and services from Hengdian Holdings Group under the Procurement Framework Agreement. In view of the successful practice of past procurement arrangements, in order to match the Company's continuously expanding business scale and growing customer demand, the Group expects to continue and expand the relevant transactions, which is in the overall interests of the Group.

The Procurement Framework Agreement (as amended by the Supplemental Agreement) enables the Group to (i) secure a steady source of the relevant goods and services with reliable quality and at favorable terms in the Group's ordinary course of business, thereby avoiding unnecessary disruption to the Group's operations in any event; and (ii) fully leverage the strengths of Hengdian Holdings Group as a leading supply chain-based technology and service provider (including Hengdian Holdings Group's scale of business, market position, brand recognition and well-established ecosystem) to enhance efficiency and reduce costs.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the Revised Annual Cap) of the Procurement Framework Agreement (as amended by the Supplemental Agreement) are fair and reasonable and the continuing connected transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) are in the ordinary and usual course of business of the Group and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

## INTERNAL CONTROL MEASURES AND PROCEDURES

In order to ensure that the continuing connected transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) are conducted in accordance with the terms of the agreement (including but not limited to the pricing terms stipulated in the agreement) and do not exceed the Revised Annual Cap, the Company has developed and adopted the following internal control measures and procedures:

(1) the Group will review each separate agreement to ensure that the terms thereunder are made in accordance with the terms and conditions of the Procurement Framework Agreement (as amended by the Supplemental Agreement), in particular, the fairness and reasonableness of the pricing terms, to ensure that the price and relevant terms are no less favorable to the Company than those offered by independent third parties for similar transactions;

(2) to ensure the transactions contemplated under the Procurement Framework Agreement (as amended by the Supplemental Agreement) do not exceed the annual caps, the finance department of the Group shall monitor the actual transaction amount at least quarterly;

(3) the independent non-executive Directors have reviewed the Procurement Framework Agreement (as amended by the Supplemental Agreement) and will review and monitor the conduct of the continuing connected transactions under such agreement, and ensure that relevant terms and pricing under the separate agreements entered into are in line with the Procurement Framework Agreement (as amended by the Supplemental Agreement);

(4) the auditor of the Company will conduct an annual review of the Procurement Framework Agreement (as amended by the Supplemental Agreement) and the transactions thereunder to ensure that the transactions contemplated thereunder are carried out in accordance with the relevant pricing terms and as agreed in the agreement therein, and that the actual transaction amount will not exceed the Revised Annual Cap.

## IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hengdian Holdings, being the controlling shareholder of the Company, holds approximately 59.23% of the equity interest of the Company. Hengdian Holdings is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company anticipates that the continuing connected transactions under the Procurement Framework Agreement will exceed the previously announced annual cap, the Company shall be required to re-comply with the applicable requirements in relation to such transactions before the annual cap is exceeded.

As the highest applicable percentage ratios calculated pursuant to the Revised Annual Cap under the Procurement Framework Agreement (as amended by the Supplemental Agreement) is more than 0.1% but less than 5%, the continuing connected transactions under the Procurement Framework Agreement (as amended by the Supplemental Agreement) and the revised annual caps are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempted from the independent Shareholders' approval requirement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, none of the Directors have a material interest in the Procurement Framework Agreement (as amended by the Supplemental Agreement) and the transactions contemplated thereunder, nor are they required to abstain from voting on the relevant Board resolutions.

## INFORMATION OF THE PARTIES

The Company is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, and securities investment fund distribution business.

Hengdian Holdings is a major private conglomerate in the PRC with six listed companies, spanning sectors such as electronics, healthcare, film and cultural tourism, and modern services. The actual controller of Hengdian Holdings is Dongyang Hengdian Social Organization and Economic Enterprise Association.

## DEFINITIONS

Unless otherwise stated, the following expressions have the following meanings in this announcement:

| | |
|---|---|
| "Board" | the board of Directors |
| "Company" | Nanhua Futures Co., Ltd. (南華期貨股份有限公司) |
| "connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "controlling shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Directors" | the directors of the Company |
| "Hengdian Holdings" | Hengdian Group Holdings Co., Limited (橫店集團控股有限公司), a company established in the PRC with limited liability and a controlling shareholder of the Company |
| "Hengdian Holdings Group" | Hengdian Holdings and its subsidiaries (other than the Group) |
| "Procurement Framework Agreement" | the agreement dated December 10, 2025 entered into between Hengdian Holdings and the Company in relation to the procurement of different types of goods and services by the Company from Hengdian Holdings Group |
| "Group" | the Company and its subsidiaries from time to time |

| | |
|---|---|
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "percentage ratios" | the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules |
| "PRC" | the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Supplemental Agreement" | the supplemental agreement to the Procurement Framework Agreement entered into between the Company and Hengdian Holdings on March 27, 2026 |
| "%" | per cent |

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.*