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: 02691)

CONNECTED TRANSACTION
SUBSCRIPTION OF PRIVATE FUND UNITS

ENTERING INTO THE PARTNERSHIP AGREEMENT IN RELATION TO THE PARTICIPATION IN THE SUBSCRIPTION OF FUND UNITS

The Board hereby announces that, on September 23, 2026, Nanhua Capital (a wholly-owned subsidiary of the Company, as the Limited Partner) entered into the Partnership Agreement with Hengdian Capital (a wholly-owned subsidiary of Hengdian Holdings, as the General Partner, the executive Partner and the Fund Manager), Hengdian Holdings (the controlling shareholder of the Company, as the Limited Partner), Hengdian DMEGC Magnetics (as the Limited Partner), Innuovo (as the Limited Partner), Tospo Lighting (as the Limited Partner), Sanheng Investment (as the Limited Partner), Xu Wencai (a non-executive Director of the Company, as the Limited Partner) and other Limited Partners, to (among other things) increase the capital and expand the fundraising of the Fund and for Nanhua Capital to subscribe for the Fund units with a total subscribed capital contribution of RMB1.65 billion, of which the subscribed capital contribution by Nanhua Capital is not more than RMB55 million, representing not more than 3.33% of the total subscribed capital contribution of the Fund.

The Fund will not be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hengdian Holdings, being the controlling shareholder of the Company, holds approximately 59.37% of the equity interest in the Company, and is therefore a connected person of the Company pursuant to the Listing Rules. Hengdian Capital is a wholly-owned subsidiary of Hengdian Holdings. Therefore, Hengdian Capital is an associate of the controlling shareholder of the Company and is also a connected person of the Company under Chapter 14A of the Listing Rules. In addition, Hengdian DMEGC Magnetics, Innuovo and Tospo Lighting are all subsidiaries or associates of Hengdian Holdings; Sanheng Investment is wholly-owned by Mr. Xu Yongan, a director of Hengdian Holdings; and Dr. Xu Wencai is a non-executive Director of the Company and concurrently serves as a director of Hengdian Capital. Each of them is also a connected person of the Company. Accordingly, the Partnership Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transaction are more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that Dr. Xu Wencai, Mr. Hu Tiangao, Mr. Li Baoping and Mr. Lyu Yuelong all concurrently serve as directors of Hengdian Holdings, and Dr. Xu Wencai has subscribed as a Limited Partner in his personal capacity, each of them is deemed to have a material interest in the transaction, and they have therefore abstained from voting on the relevant resolution(s) of the Board considering the Partnership Agreement. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Partnership Agreement, nor has any director abstained from voting on the relevant resolution(s) of the Board considering the Partnership Agreement.

WARNING

As the completion of the transaction is subject to the terms and conditions under the Partnership Agreement, the transaction may or may not proceed at all or in a timely manner. The Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

SUBSCRIPTION OF FUND UNITS

The Board hereby announces that, on September 23, 2026, Nanhua Capital (a wholly-owned subsidiary of the Company, as the Limited Partner) entered into the Partnership Agreement with Hengdian Capital (a wholly-owned subsidiary of Hengdian Holdings, as the General Partner, the executive Partner and the Fund Manager), Hengdian Holdings (the controlling shareholder of the Company, as the Limited Partner), Hengdian DMEGC Magnetics (as the Limited Partner), Innuovo (as the Limited Partner), Tospo Lighting (as the Limited Partner), Sanheng Investment (as the Limited Partner), Xu Wencai (a non-executive Director of the Company, as the Limited Partner) and other Limited Partners, to (among other things) increase the capital and expand the fundraising of the Fund and for Nanhua Capital to subscribe for the Fund units.

CAPITAL CONTRIBUTION

Partner	**Type**	**Subscribed capital contribution** *(RMB'000)*	**Percentage** *(%)*
Hengdian Capital	General Partner/executive Partner/Fund Manager	1,650	0.10
Hengdian DMEGC Magnetics	Limited Partner	165,000	10.00
Hengdian Holdings	Limited Partner	185,350	11.23
Tospo Lighting	Limited Partner	55,000	3.33
Nanhua Capital	Limited Partner	55,000	3.33
Innuovo	Limited Partner	55,000	3.33
Sanheng Investment	Limited Partner	55,000	3.33
Xu Wencai	Limited Partner	44,000	2.67
Others	Limited Partner	1,034,000	62.67
Total		**1,650,000**	100.00

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding. The subscribed capital contribution and contribution percentage shall be subject to the final approval and registration.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are as follows:

Date	September 23, 2026
Parties	General Partner/executive Partner/Fund Manager: Hengdian Capital Limited Partners: (1) Hengdian DMEGC Magnetics; (2) Hengdian Holdings; (3) Tospo Lighting; (4) Nanhua Capital; (5) Innuovo; (6) Sanheng Investment; (7) Dr. Xu Wencai; and (8) Other Limited Partners.
Name of the Fund	Hengdian Baihui Venture Capital (Hangzhou) Partnership (Limited Partnership)
Form of Organization	Limited partnership
Purpose of the Fund	The purpose of the Fund is to make equity investments in enterprises within the following sectors in order to generate favorable investment returns for all Partners: high-tech sectors with high growth potential.
Size and method of capital contribution	The target size of capital contribution is RMB1,650 million. All Partners shall make their respective capital contributions in cash in RMB.

Schedule of capital contribution	Partners shall make their paid-in capital contributions in accordance with the requirements of the Notice of Payment of Capital Contribution upon receipt of such notice issued by the executive Partner based on project needs or investment progress.
Term	The business registration term of the Partnership is long-term. The term of the Partnership as the Fund is 12 years, comprising an investment period of 8 years and a divestment period of 4 years. Based on the operational needs of the Partnership, the General Partner may independently decide to extend the term of the Partnership (including the investment period and/or the divestment period) twice, for one year each time; upon extension of the Partnership's term as the Fund in accordance with the aforementioned arrangements, such term may be further extended upon the proposal by the General Partner and the approval at the Partners' meeting.
Management and decision-making mechanism	The manager of the Partnership is the General Partner/executive Partner. The manager shall, subject to compliance with applicable laws, regulations, and normative documents, perform the duties specifically designated to be performed by the manager pursuant to the Partnership Agreement and the provisions of laws, regulations, and industry self-regulatory organizations. The Partnership shall establish an investment decision committee, comprising three members, all of whom shall be appointed by the Fund Manager. The investment decision committee is the highest decision-making authority for the investment projects of the Fund, responsible for considering and determining the investments, divestment, and other material matters of the Fund. Investment decision matters shall only be passed with the unanimous consent of all committee members. In addition, matters subject to discussion and determination at the Partners' meeting in accordance with the Partnership Agreement shall be passed only with the consent of the General Partner and the affirmative vote of the Limited Partners representing at least two-thirds of the voting rights.
Cooperative status and main rights and obligations of the respective investors	The General Partner bears unlimited liability for the debts of the Partnership. The General Partner acting as the executive Partner shall designate its appointed representative to be responsible for the specific execution of the affairs of the Partnership. The Limited Partners bear liability for the debts of the partnership up to the limit of their respective subscribed capital contributions, and the Limited Partners do not execute the affairs of the Partnership.
Management fee	The management fee of the Fund shall be charged in accordance with the terms of the Partnership Agreement.

Investment mode of the investment fund	1. Investment focus High-tech sectors with high growth potential. 2. Investment method The Fund adopts direct equity investments as its principal investment method, and may also conduct indirect equity investments through lawful investment vehicles such as partnerships and SPVs. 3. Investment management The Partnership establishes an investment decision committee responsible for considering and making decisions on the project investments and project exits of the Partnership. 4. Exit mechanism Exits shall be executed through the secondary market, acquisitions, equity transfers, transfers of fund units, and liquidation of the Partnership, among other methods.
Income distribution mechanism	The distributable income generated by the Partnership shall be apportioned and distributed accordingly pursuant to the terms of the Partnership Agreement.
Liability for default	In the event that any party to the agreement breaches the provisions of this agreement and thereby causes any non-breaching party to suffer any losses, the breaching party shall bear all liabilities and obligations arising therefrom.
Dispute resolution mechanism	All disputes arising from or in connection with this agreement shall first be resolved by the parties through amicable negotiation. If the negotiation fails, any party may apply for arbitration to the Zhejiang Sub-Commission of the China International Economic and Trade Arbitration Commission to be conducted in Hangzhou in accordance with its arbitration rules then in effect. The arbitral award is final and binding on all relevant parties.
Conditions for effectiveness and term of validity of the contract	This agreement shall become effective on the date on which it is signed and sealed by the parties, and shall have legal binding force on the signatories from the date of execution.

INFORMATION ON THE COMPANY AND THE PARTNERS

The Company

The Company is a joint stock company incorporated in the PRC with limited liability, whose A shares are listed on the Shanghai Stock Exchange (stock code: 603093) and whose H shares are listed on the Main Board of the Stock Exchange (stock code: 02691). The Group is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, and securities investment fund distribution.

Nanhua Capital

Nanhua Capital is a company established in the PRC with limited liability on May 20, 2013. It is a wholly-owned subsidiary of the Company and is principally engaged in risk management services, including basis trading, over-the-counter derivatives business, and market making.

Hengdian Holdings

Hengdian Holdings is a company established in the PRC with limited liability on November 22, 1999, with 51% of its equity interest held by the Enterprise Federation. It is principally engaged in holding company services, corporate management and investment management business. Hengdian Holdings is the controlling shareholder of the Company.

Hengdian Capital

Hengdian Capital is a company established in the PRC with limited liability on June 28, 2017 and is a wholly-owned subsidiary of Hengdian Holdings. It is principally engaged in the equity investment management business, and has been registered with the Asset Management Association of China (registration number: P1066347).

Hengdian DMEGC Magnetics

Hengdian DMEGC Magnetics is a joint stock company established in the PRC with limited liability, whose issued shares are listed on the Shenzhen Stock Exchange. Hengdian Holdings holds 49.99% of the equity interest in Hengdian DMEGC Magnetics. Hengdian DMEGC Magnetics is principally engaged in businesses including magnetic materials and photovoltaic equipment.

Innuovo

Innuovo is a joint stock company established in the PRC with limited liability, whose issued shares are listed on the Shenzhen Stock Exchange. Hengdian Holdings holds approximately 40.09% of the equity interest in Innuovo. Innuovo is principally engaged in businesses including rare earth functional materials and motor manufacturing.

Tospo Lighting

Tospo Lighting is a joint stock company established in the PRC with limited liability, whose issued shares are listed on the Shanghai Stock Exchange. Hengdian Holdings holds approximately 49.27% of the equity interest in Tospo Lighting. Tospo Lighting is principally engaged in businesses including lighting fixtures and electronic components.

Sanheng Investment

Sanheng Investment is a company established in the PRC with limited liability, which is wholly owned by Mr. Xu Yongan, a director of Hengdian Holdings.

Dr. Xu Wencai

Dr. Xu Wencai is a non-executive Director of the Company and concurrently serves as a director of Hengdian Capital. Dr. Xu Wencai, in his personal capacity, has subscribed for fund units of RMB44 million, representing 2.67% of the total subscribed capital contribution of the Fund.

As at the date of this announcement, save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the other Limited Partners and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

The participation in the subscription of fund units is intended to leverage the business synergy advantages of professional investment institutions to invest in quality projects with high growth potential and development prospects, thereby enhancing the comprehensive competitiveness of the Company. The subscribed capital contribution of Nanhua Capital was determined after arm's length negotiations among the partners with reference to the target fundraising scale of the Fund, the anticipated capital requirements, the investment strategy and the internal resources of Nanhua Capital available for this investment.

The transaction will be funded by internal resources and will not affect the daily operating activities of the Company. As a Limited Partner, Nanhua Capital shall bear liabilities limited to the amount of its subscribed capital contribution, which will not cause any material adverse impact on the financial position of the Group.

The Directors (including the independent non-executive Directors, but excluding Dr. Xu Wencai, Mr. Hu Tiangao, Mr. Li Baoping and Mr. Lyu Yuelong) consider that the transactions under the Partnership Agreement are conducted on normal commercial terms, and that the terms of the Partnership Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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WARNING

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DEFINITIONS

"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of directors of the Company
"Company"	Nanhua Futures Co., Ltd., a joint stock company incorporated in the People's Republic of China with limited liability, whose A shares are listed on the Shanghai Stock Exchange (A share stock code: 603093) and whose H shares are listed on the Stock Exchange (H share stock code: 02691)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto in the Listing Rules
"Directors"	the directors of the Company
"Enterprise Federation"	Dongyang Hengdian Society Economics Enterprise Federation, the ultimate controller of the Company
"Fund" or "Partnership"	Hengdian Baihui Venture Capital (Hangzhou) Partnership (Limited Partnership)
"Fund Manager"	Hengdian Capital
"General Partner"	Hengdian Capital, the general partner and the executive Partner of the Fund

"Group"	the Company and its subsidiaries
"Hengdian Capital"	Hengdian Capital Venture Capital (Zhejiang) Co., Ltd., a wholly-owned subsidiary of Hengdian Holdings, and the General Partner, the executive Partner and the Fund Manager of the Fund
"Hengdian DMEGC Magnetics"	Hengdian Group DMEGC Magnetics Co., Ltd., a joint stock company established in the PRC with limited liability, the issued shares of which are listed on the Shenzhen Stock Exchange
"Hengdian Holdings"	Hengdian Group Holdings Limited, the controlling shareholder of the Company
"Tospo Lighting"	Hengdian Group Tospo Lighting Co., Ltd., a joint stock company established in the PRC with limited liability
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	the third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
"Innuovo"	Innuovo Technology Co., Ltd., a joint stock company established in the PRC with limited liability
"Limited Partner(s)"	limited partners of the Fund
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Nanhua Capital"	Zhejiang Nanhua Capital Management Co., Ltd., a wholly-owned subsidiary of the Company
"Partner(s)"	partner(s) of the Fund, including the General Partner and the Limited Partners
"Partnership Agreement"	the partnership agreement entered into in respect of, among other things, the capital increase and expansion of the fundraising of the Fund and the subscription for Fund units by Nanhua Capital
"PRC"	the People's Republic of China excluding Hong Kong, Macau and Taiwan solely for the purpose of this announcement
"RMB"	renminbi, the lawful currency of the PRC

"Sanheng Investment"	Dongyang Sanheng Investment Management Co., LTD, wholly owned by Mr. Xu Yongan
"Shareholder(s)"	holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SSE"	Shanghai Stock Exchange
"%"	per cent

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, September 23, 2026

As at the date of this announcement, the board of directors of the Company comprises: (i) Dr. Luo Xufeng as executive Director; (ii) Dr. Xu Wencai, Mr. Hu Tiangao, Mr. Li Baoping, Mr. Lyu Yuelong 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.