



Inbound One-Stop Solution: Qualified Overseas Intermediary

International Dept. Nanhua Futures

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**NANHUA
FUTURES**

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About Nanhua





Pioneer Financial Service Provider in China's Futures Industry



Founded in 1996, Nanhua Futures Co., Ltd. is a leading integrated financial service provider in China. We provide high-quality comprehensive financial services in **Mainland China, Hong Kong, London, Chicago and Singapore.**

Organization Structure

Nanhua Capital
(Wholly-owned by Nanhua)

**NANHUA
FUTURES**

Nanhua Fund
(Wholly-owned by Nanhua)

HGNH
International
Financial

(Wholly-owned by Nanhua)

HGNH International Futures Co.

HGNH International Securities Co.

HGNH International Asset Management Co.

HGNH International Financial (SG)

Nanhua Financial (UK)

Nanhua USA LLC

(Wholly-owned by HGNH
International Financial)

HGNH International Asset
Management Co. (SG)

(70% owned by HGNH
International Financial)

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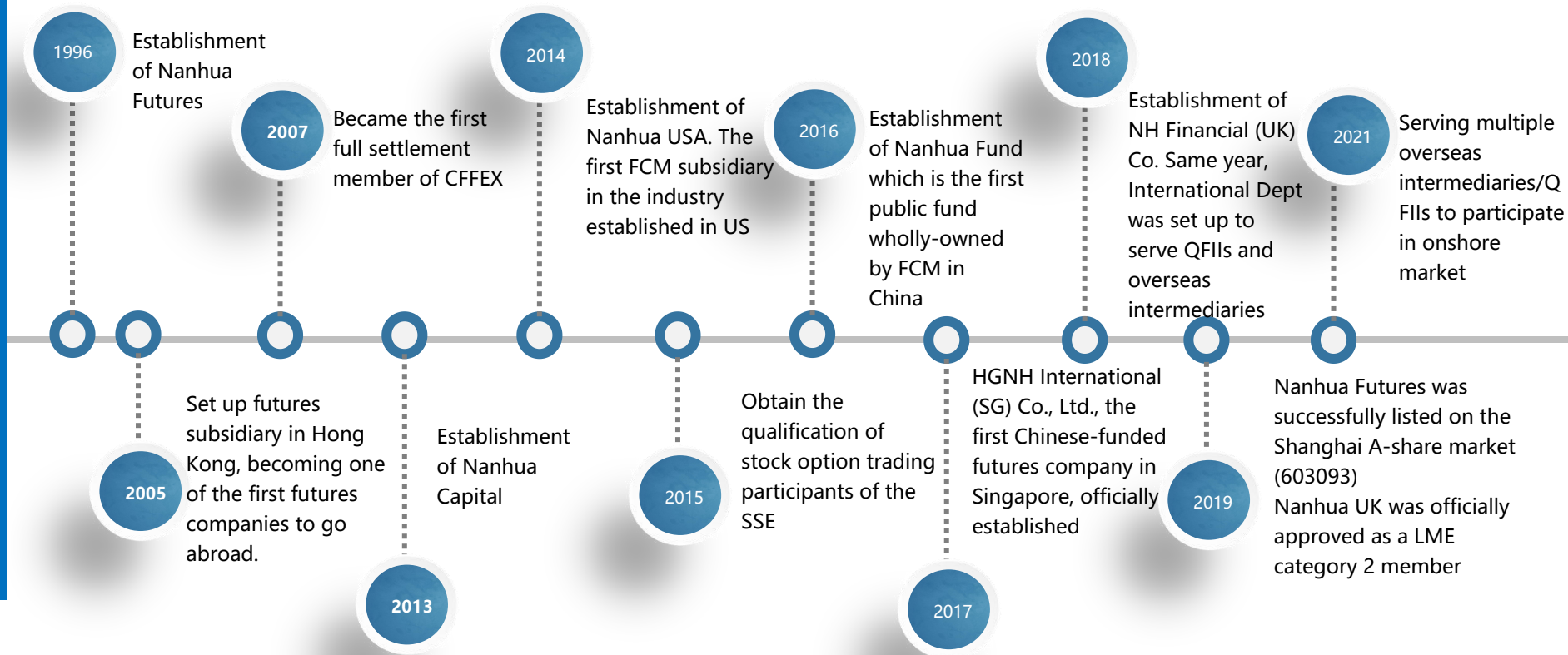
Nanhua Futures provides a global derivatives service and is mainly engaged in commodity and financial futures and options brokerage business, futures investment advisory service, asset management, securities investment fund sale, etc.

Clearing Memberships in Global Markets	UK	Nanhua Financial (UK) Co Limited (FRN:821609) <ul style="list-style-type: none">• LME Category 2 member
	USA	Nanhua USA Investment LLC (NFA ID: 0496874, Registered CPO, CTA) Nanhua USA LLC (NFA ID: 0466494, Registered FCM) <ul style="list-style-type: none">• CME Group clearing member (CME, CBOT, NYMEX, COMEX);• DME clearing member ;• ICE US clearing member
	Singapore	HGNH International Asset Management (Singapore) Co Limited (CMS100920) HGNH International Financial (Singapore) PTE. Ltd (CMS100651-1) <ul style="list-style-type: none">• APEX trading member and clearing member ;• SGX derivatives market trading member and clearing member
	Hong Kong	HGNH International Asset Management (AXY 831) HGNH International Securities (BBT518) HGNH International Futures Co. Ltd. (AOU118) <ul style="list-style-type: none">• HKFE Exchange Participant/Futures Commission Merchant ;• HKCC Clearing Participant

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History





Comprehensive Development of Multi-Businesses



Onshore Brokerage

- Commodities
- Financial futures
- Stock options



Risk Management

- OTC derivatives business
- Basis trading
- Market-making



Wealth Management

- HNW Asset Management
- Public funds raising, selling
- Portfolio managing of public/private funds



Overseas Financial Service

- Global futures brokerage
- Asset management
- Stockbroker
- Leveraged Forex trading
- Futures Investment Advisory

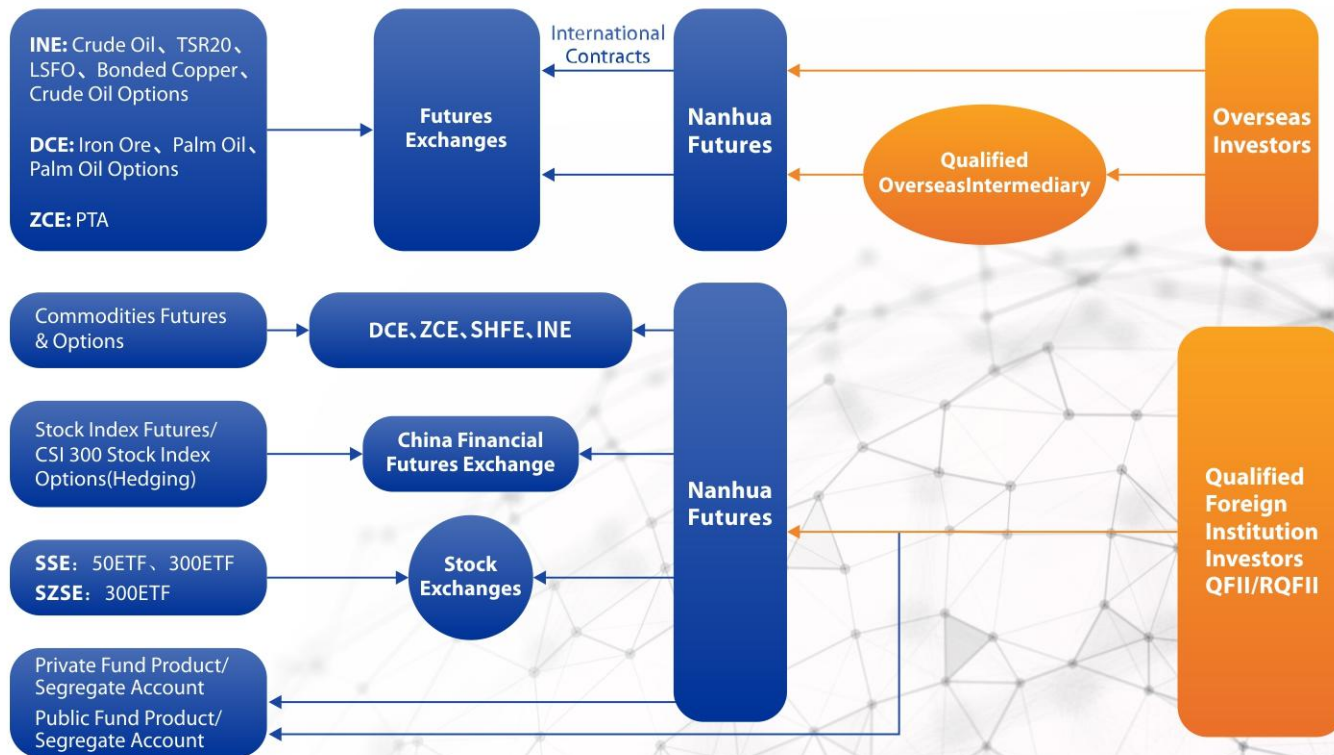


Inbound

- Access to all internal Exchanges of China via
- QFII expertise
- International futures contracts



Trading China



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PART TWO

One-Stop Solution





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Definition and Conditions of Participation

Definition

An Overseas Intermediary is an overseas broker that does not trade directly at the Exchange but authorizes a Futures Firm Member or an overseas broker that trade directly at the Exchange to conduct trading and clearing activities.

➤ Prerequisites:

- ① Confirmation with the Exchange as an accessible region.
- ② Capital requirements: net capital of not less than RMB 30 million or its equivalent in foreign currency.
- ③ Operational requirements: INE - continuous operation for at least 2 years; DCE, CZCE - continuous operation for at least 1 year.

➤ Documents to be provided:

- ① Certificate of incorporation [Notarization + Authentication required]
- ② Tax payment certificate (if applicable) [Notarization required]
- ③ Brokerage business licence [Notarization required]
- ④ Audited financial statements for the last year
- ⑤ Net capital accounting statement and net capital statement commitment letter (Nanhua to assist in completing)
- ⑥ Futures brokerage contract (Template provided by Nanhua)
- ⑦ Board resolution (Template provided by Nanhua)
- ⑧ Copies of identification documents of the personnel involved [Notarisation required]

Notes.

1. Notarization (original notarised document required): certified by a notary in the applicant's country (region).
2. Authentication (original certified documents are required)
 - (1) Certified by the Chinese embassy or consulate in that country (region).
 - (2) Hong Kong, China: the relevant notarial document is first issued through a commissioned notary public, and then the document is examined and forwarded by China Legal Services (Hong Kong) Limited with a forwarding stamp.
 - (3) Taiwan, China: first notarized by a local notary in Taiwan, then a copy of the notary certificate is forwarded by the SEF to the China Association of Notaries in China or the association of notaries in the relevant province, autonomous region or municipality directly under the Central Government.



Available Contracts

Product	Crude Oil	TSR 20	LSFO	Copper	Crude Oil Options	Iron Ore	Palm Olein	Palm Olein Options	PTA
Listed Time	03/26/2018	08/12/2019	06/22/2020	11/19/2020	06/21/2021	05/04/2018	12/22/2020	06/18/2021	11/30/2018
Exchange	INE					DCE			ZCE
Code	SC	NR	LU	BC	SC	I	P	P	TA
Trading Hours	9:00-11:30 13:30-15:00 21:00-02:30	9:00-11:30 13:30-15:00 21:00-23:00	9:00-11:30 13:30-15:00 21:00-23:00	9:00-11:30 13:30-15:00 21:00-01:00	9:00-11:30 13:30-15:00 21:00-02:30	9:00-11:30 13:30-15:00 21:00-23:00	9:00-11:30 13:30-15:00 21:00-23:00	9:00-11:30 13:30-15:00 21:00-23:00	9:00-11:30 13:30-15:00 21:00-23:00
Contract	1000 Barrel	10 MT	10 MT	5 MT	1 lot Crude Oil contract	100 MT	10 MT	1 lot Palm Olein contract	5 MT
Price Quotation	CNY/Barrel	CNY/MT			CNY/Barrel	CNY/MT			
Margin	10%	10%	10%	10%	/	12%	10%	/	7%
Position Limit (Delivery Month)	500	200	500	700	500	2000	500	10000	5000
Maximum Number of Lots / Transaction	500	500	500	500	100	1000	1000	1000	1000 (Limit) 200(Market)
Related Products	Brent Crude Oil (ICE Europe) WTI Crude Oil (CME group)	SICOM TSR20 Futures (SGX) TSR 20 Futures (TOCOM)	SGX LSFO (SGX)	LME CU(LME)	Brent Crude Oil Options OS((ICE Europe)	Iron ore Futures (SGX) Iron Ore Futures (HKEX)	BMD Palm Olein (BMD)	BMD Palm Olein Options (BMD)	PX Swap (SGX)

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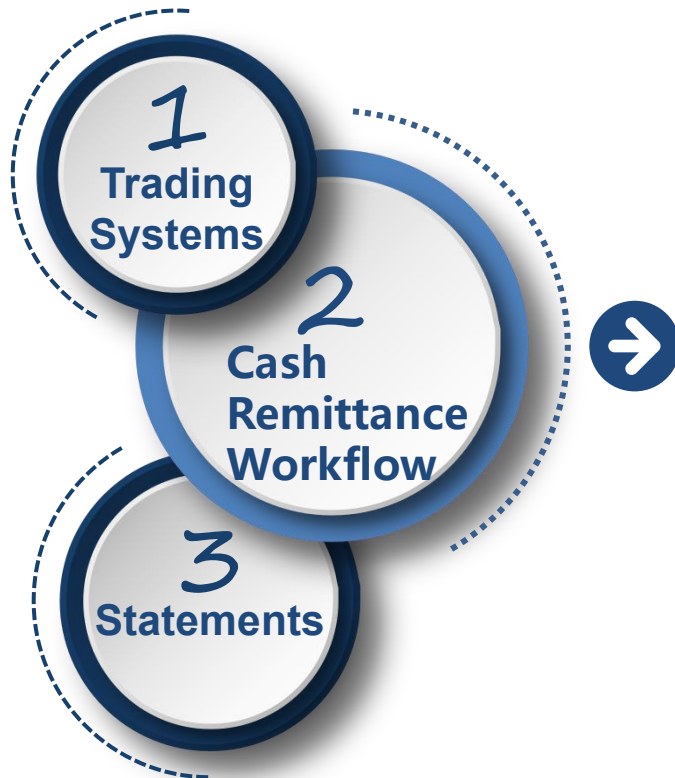


Trading systems can be supported

- TT
- CQG
- ATP
- Esunny
- Bloomberg

Settlement Services

- Format:
Standardised Statement
Customised statements
- Method:
Email
FTP



Banks & Cash Remittance Workflow

- NRA Banks: Bank of China, DBS Bank
- Deposit.
Intermediary Bank Account -
Intermediary NRA Account -
Nanhua Margin Account
- Withdrawals.
Nanhua Margin Account -
Intermediary NRA Account -
Intermediary Bank Account



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Application for Overseas Intermediary and Preparation Process

Project/Time	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9
1 Pre-Communication	Nanhua & Potential Intermediary								
2 Apply for an NRA(Non-resident bank account)	Potential Intermediary								
2 Checklist and Documents to be signed sending		Nanhua							
3 Certificate of incorporation + Audited financial statements		Potential Intermediary							
4 Net capital accounting statement		Nanhua							
5 First Draft of all the Documents			Potential Intermediary						
6 Review and Comments					Nanhua				
7 Sign and Scan					Potential Intermediary				
8 Final Review						Nanhua			
9 Paper Mailing							Potential Intermediary		
10 Materials Signing with seal								Nanhua	
11 Submission to the Exchange for review								Nanhua	
12 Feedback on Exchange Application Results									Nanhua
13 Send and Mail of paper agreements and INE documents									Nanhua
14 Completion	Contact us: nhoverseas@nawaa.com								Nanhua & Potential Intermediary



Trade Matchmaking Preparation Process

Project/Time	Week 1	Week 2	Week 3	Week 4	Week 5
1 Apply for an account for the intermediary	Nanhua				
2 Connect bank account to futures trading account		Intermediary			
3 FTP creation (configuration of account opening guidelines, settlement samples)		Nanhua			
4 Application for virtual machine (configuration of account opening site, bank-futures portal, CTP trading system, FTP)		Nanhua			
5 Intermediary to provide public IP address(a. Enabling FTP access b. Testing VPN connectivity)		Nanhua & Intermediary			
6 Apply for an operator account (Bank-futures account, CTP Trader, CQG, TT, ATP)		Nanhua			
7 Notification of password and transfer of agreement		Nanhua			
8 Trading system interfacing (CQG, TT, ATP, etc.)		Nanhua & Intermediary			
9 Agree trading costs and margins?		Nanhua			
10 Guidance on applying for trading codes for the client			Nanhua & Intermediary		
11 Deposit to NRA account - Bank transfer to Nanhua Margin Account			Intermediary		
12 Set client' s trading code in the trading system					Nanhua & Intermediary
13 Train on trading rules					Nanhua & Intermediary
14 Execute first order					Client

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Introduction of Special Trading Rules

Items	Detail
One code per one client	One entity can only have one unique trading code within the exchange.
USD offset margin	The settlement is made in RMB, and the US dollar can be used as a margin.
Position limit warning	Remind clients to adjust their position before scheduled time
Trading limit warning	Notify clients to pay attention, so as not to exceed the limit and be restricted by the exchange on positions opening
Abnormal transaction notice	Self-dealing; Frequent cancellation of orders; Large amount of cancelled orders.
Other Trading Related Notices	Delivery notice, Holiday notice
	Commission / Margin / Price limit adjustment notice
Trading orders	Price priority, time priority; Closing rules is first in first out. INE: Close today position VS Close yesterday position

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PART THREE

Our Advantages





Advantages

Experience in serving offshore institutions

- One of the earliest cross-border investment service teams serving QFII and RQFII participating in stock index futures hedging
- The team consists of 6 sales staff and 4 traders, 5 of whom have overseas study background and have more than 8 years of experience in futures industry per capita.

One-on-one service

- Dedicated customer service manager pro-actively dealing with settlement issues
- A-share listed company guarantees the safety of funds.

One-stop integrated financial solutions

- QFII/RQFII product experts, providing comprehensive solutions from market access to onshore investment.
- Experience in overseas markets , providing advice for overseas brokers from exchange filing to participating in transactions.
- International futures contracts access for overseas participants to trade China's internationalized products.

Full set of trading systems and IT support

- We offer TT, CQG, ATP, Esunny, Bloomberg and other international mainstream trading platforms;
- Continuous investment in information technology ensures that we are at the forefront of technology and provide customers with the best experience.

PART FOUR

Contact Us





Contact Us



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