Nanhua USA LLC

(d/b/a Nanhua USA Futures LLC)

Financial Statement and Supplementary Schedules Pursuant to

Regulation 1.10 of the Commodity Exchange Act

(Available for Public Inspection)

December 31, 2021

Nanhua USA LLC

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R&J

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member
of Nanhua USA LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Nanhua USA LLC (the "Company") as of December 31, 2021 that you are filing pursuant to Regulation 1.10 under the Commodity Exchange Act, and the related notes and supplementary schedules (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Nanhua USA LLC as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Nanhua USA LLC's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to Nanhua USA LLC in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission, the Commodity Futures Trading Commission ("CFTC"), and the PCAOB. We have served as Nanhua USA LLC's auditor since 2021.

We conducted our audit in accordance with the standards of the PCAOB and the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The information in Supplementary Schedules ("the supplemental information") has been subjected to audit procedures performed in conjunction with the audit of Nanhua USA LLC's financial statement. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Regulation 1.10 of the Commodity Exchange Act. In our opinion, the Supplementary Schedules are fairly stated, in all material respects, in relation to the financial statement as a whole.

Ryan & Juraska LLP

Chicago, Illinois
January 27, 2022

Nanhua USA LLC
(d/b/a Nanhua USA Futures LLC)
Statement of Financial Condition
As of December 31, 2021

ASSETS	
Cash	$ 1,004,928
Restricted cash	97,820
Cash segregated at bank	13,960,916
Cash and cash equivalents segregated with exchanges	155,028,049
Guaranty fund with exchanges	2,817,422
Intangible assets	1,373,600
Right of use asset	517,441
Property and equipment, net	32,864
Other receivables	73,799
Other assets	102,169
TOTAL ASSETS	**$ $175,009,008**
LIABILITIES AND EQUITY	
Liabilities	
Customer payable	$ 153,775,761
Non-customer related party payable	121,999
Accounts payable, accrued expenses and other liabilities	597,047
Lease liability	538,269
TOTAL LIABILITIES	**$155,033,076**
Member's equity	19,975,932
TOTAL LIABILITIES AND EQUITY	**$ $175,009,008**

The accompanying notes are an integral part of this financial statement.

Nanhua USA LLC
(d/b/a Nanhua USA Futures LLC)
Notes to Financial Statement
December 31, 2021

1. COMPANY BACKGROUND INFORMATION

Nanhua USA LLC (d/b/a Nanhua USA Futures LLC) (the "Company") was organized on August 5, 2013 in the State of Delaware. Nanhua USA LLC is a single member limited liability company wholly-owned by Nanhua USA Holding LLC (the "Parent"). Nanhua USA Holding LLC is controlled and a wholly-owned subsidiary of HGNH International Financial Corporation Limited. The Company's principal business activity is clearing exchange traded futures and options contracts for affiliates. The Company is a member of the National Futures Association ("NFA") and registered as a Futures Commission Merchant ("FCM") with the Commodity Futures Trading Commission ("CFTC"). The Company is a clearing member of the Chicago Mercantile Exchange ("CME"), the Chicago Board of Trade ("CBOT"), the New York Mercantile Exchange ("NYMEX"), the Commodity Exchange ("COMEX"), and the Dubai Mercantile Exchange ("DME").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(1) Basis of Presentation: The accompanying financial statement is presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and is presented in U.S. dollars and reflect all adjustments which are, in the opinion of management, necessary consistent reporting of the financial position for the periods presented.

(2) Use of Estimates: The preparation of the financial statement in conformity with U.S. GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(3) Cash and Cash Equivalents: The Company considers marketable securities with original maturities of ninety days or less to be cash equivalents. Cash equivalents include cash funds segregated or in separate accounts as required by the Commodity Exchange Act ("CEAct").

(4) Restricted Cash: Restricted cash represents $97,820 the Company has restricted to the extent that it serves as collateral for a letter of credit required by the Company's office lease agreement.

(5) Revenue Recognition: The Company recognizes its revenue in accordance with Financial

Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 606, Revenue from Contracts with Customers. Futures and options transactions and the related commission revenue and expenses are recognized on trade date. Dividend income and expenses are recognized on the ex-dividend date. Interest income and expenses are recognized on an accrual basis. CII records consulting income as services are rendered.

Significant Judgments

Revenue from contracts with customers includes commission income. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Commissions

Brokerage commissions. The Company buys and sells futures and options contracts on behalf of its customers. Each time a customer executes a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

(6) Translation of Foreign Currencies: Assets and liabilities denominated in foreign currencies are translated to U.S dollars at year-end exchange rates, while income and expense items are translated at average rates of exchange for the year. The Company does not isolate the portion of the results of operations resulting from changes in foreign exchange rates in investments from fluctuations in market prices of any securities held.

(7) Property and Equipment: Furniture and equipment are depreciated over the estimated useful lives of the assets using straight-line methods. Leasehold improvements are amortized over the term of the associated lease.

(8) Intangible Assets: Intangible assets consist of memberships in exchanges of CME Group Inc. that represent the right to conduct business on the exchanges as well as clearing privileges. The exchange memberships are carried at cost and are evaluated periodically for impairment. These assets are level 2 assets on the fair value hierarchy as values are calculated based on quoted sales prices for similar assets in active markets.

(9) Securities Owned: Securities owned previously consisted of shares in the Intercontinental Exchange, Inc. ("ICE") and were required to be held for membership and clearing privileges. The Company terminated its membership with ICE. The ICE shares became unrestricted in July 2021 and were measured at fair value until sold in October 2021.

(10) Receivable from and Payable to Customers: Receivable from and payable to customers arise primarily from futures and options on futures transactions and include gains and losses on open trades. Securities, primarily U.S. Government obligations, owned by customers and held by the Company as collateral or as margin and the fair value of customers' options positions are not reflected in the statement of financial condition.

(11) Income Taxes: The Company is a single member LLC which has elected to be taxed as a corporation. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit, or portion thereof will not be realized. As of December 31, 2021, there are no material deferred tax assets or liabilities.

The Company recognizes and measures its unrecognized tax benefits or liabilities in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, Income Taxes. Under this guidance the Company estimates the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The level of unrecognized tax benefits or liabilities is adjusted when there is more information available, or when an event occurs that requires a change. The Company applied this accounting policy to the tax positions for all open years. The Company did not have any unrecognized tax positions as of December 31, 2021.

As of December 31, 2021, the Company had federal net operating loss (NOL) carryforwards available to offset future taxable income of approximately $1,313,405 and state NOL of approximately $1,643,087, which will expire in varying amounts beginning in 2036. The Company's net deferred income tax asset, related to those losses and other temporary differences, was approximately $919,305. Due to the uncertainty surrounding realization of the deferred income tax assets in future periods, the Company has recorded a 100% valuation allowance against its net deferred income tax assets. If it is determined in the future that it is more likely than not that the deferred income tax assets are realizable, the valuation allowance will be reduced. As a result of the Company's net operating losses and deferred tax valuation allowance, there was no provision for income taxes for the year ended December 31, 2021. The Company's federal tax rate is 21% and state tax rate is 9.5% for the year ended December 31, 2021. The Company's effective income tax rate generally varies from the statutory tax rate due to certain expenses which are nondeductible in the calculation of taxable income, statutory alternative minimum tax requirements, and differences in estimates from actual expenses used to calculate the tax provision within a specific year.

(12) Fair Value Measurements: Fair value accounting guidance defines fair value, establishes a framework for measuring fair value under U.S. GAAP and expands disclosures about fair value measurements for both financial and non-financial assets. It also provides a fair value hierarchy gives the highest prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Fair Value Hierarchy

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no material assets or liabilities measured at fair value on a recurring basis as of December 31, 2021.

Non-financial assets and liabilities measured at fair value on a nonrecurring basis. Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances such as when there is a business acquisition or evidence of impairment. No material fair value adjustments or fair value measurements were required for non-financial assets or liabilities during the year ended December 31, 2021.

3. SEGREGATION REQUIREMENTS

Pursuant to requirements of the CEAct, funds deposited by customers relating to futures contracts in regulated commodities must be carried in separate bank accounts which are designated as segregated customers' accounts. Funds deposited by customers and other assets which have been segregated as of December 31, 2021, are shown as follows:

Reconciliation of Cash Segregated at Bank per Statement of Financial Condition and Segregated Statement

Segregated Statement	Segregated cash at bank	$ 13,316,407
Secured 30.7 Statement	Secured cash at bank	644,509
Statement of Financial Condition	Cash segregated at bank	$ 13,960,916

Reconciliation of Cash Segregated with Exchanges per Statement of Financial Condition and Segregated Statement

Segregated Statement	Margins on deposit with exchanges	$152,507,664
Segregated Statement	Net settlement from (to) exchanges	2,520,385
Statement of Financial Condition	Cash segregated with exchanges	$ 155,028,049

Reconciliation of Segregated Funds with Clearing Organizations on Segregated Statements and Statement of Financial Condition
As of December 31, 2021

Segregation Requirement	Segregated	30.7 Secured	Total
Cash segregated	$ 186,664,219	$ 350,477	$ 187,014,696

Open Trade Equity - SEG	(33,238,205)	(730)	(33,238,935)
Exchange traded options	(2,030,845)	-	(2,030,845)
Amount required to be segregated	**151,395,169**	**349,747**	**151,744,916**
Funds in Segregated Accounts			
Cash segregated at bank	13,316,407	644,509	13,960,916
Cash margins with exchanges / foreign FCM	152,507,664	60,313	152,567,977
Open Trade Equity - foreign FCM		(730)	(730)
Net settlement from (to) exchanges	2,520,385		2,520,385
Subtotal - cash margins and settlement	**168,344,456**	**704,092**	**169,048,548**
Exchange traded options	(2,030,845)	-	(2,030,845)
Amount in segregation	**166,313,611**	**704,092**	**167,017,703**
Excess funds in segregation	**$ 14,918,442**	**$ 354,345**	**$ 15,272,787**

4. DEPOSITS WITH EXCHANGE CLEARING ORGANIZATIONS

The statement of financial condition as of December 31, 2021, includes deposits with exchange clearings organizations that represent cash, cash equivalent and guaranty fund deposits.

5. GUARANTEES AND INDEMNIFICATIONS

FASB ASC 460, Guarantees, requires the Company to disclose its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contacts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company is a member of exchanges that trade and clear futures contracts. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchange. Although the rules governing different exchange memberships vary, in general the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guarantee obligation would be apportioned among the other non-defaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the financial statement for these agreements and management believes that any potential requirement to make payments under these agreements is remote.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Electronic equipment	$ 53,861
Furniture	81,477
Leasehold improvements	59,162
Subtotal	194,500
Accumulated depreciation and amortization	(161,636)
Property and equipment	**$ 32,864**

7. NET CAPITAL REQUIREMENT

As a registered futures commission merchant, Nanhua USA LLC is subject to the net capital requirements under the NFA and CFTC Regulation 1.17 and is required to maintain adjusted net capital equivalent to the greater of $1,000,000 or the sum of 8% of customer and 8% of non-customer risk maintenance margin requirement on all positions, as these terms are defined. As of December 31, 2021, the Company was required to maintain net capital of $9,189,682. At December 31, 2021, the Company had adjusted net capital and excess net capital of $18,362,182 and $ 9,172,500, respectively. The minimum requirements may effectively restrict the payment of equity withdrawals.

8. FINANCIAL INSTRUMENTS

FASB ASC 815, Derivatives and Hedging requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit risk related contingent features in derivative agreements. The disclosure requirements of FASB ASC 815 distinguish between derivatives, which are accounted for as "hedges" and those that do not qualify for such accounting. The Company reflects derivatives at fair value and recognizes changes in fair value through the statement of operations, and such do not quality for FASB ASC 815 hedge accounting treatment. The Company does not engage in the proprietary trading of derivatives.

The Company engages in futures clearing activities in which counterparties will primarily include clearing organizations, other futures commission merchants, and other brokers. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Concentration of Credit Risk: As of December 31, 2021, a significant concentration of cash exceeded the Federal Deposit Insurance Corporation's (FDIC) limit of $250,000 by approximately $14.7 million. The Company attempts to mitigate the credit risk of cash deposited in one bank by maintaining deposits with high quality financial institutions. In the event of the insolvency of the financial institution, the recovery of the Company's funds may be limited to its pro-rata share of funds available. Management believes the Company does not have significant exposure to any credit risk on cash.

Customer Activities: The Company executes and clears customer transactions in the purchase and sale of commodity futures contracts (including options on futures contracts), substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions expose the Company to significant off-balance-sheet risk in the event the margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell futures contracts at prevailing market prices in order to fulfill the customer's obligations. The Company controls this risk by monitoring margin collateral levels on a daily basis, on an account-by-account basis, for compliance with regulatory and internal guidelines and requires additional collateral when necessary. The Company requires a customer to deposit additional margin collateral, or reduce positions, if it is determined that customer's activities may be subject to above normal market risks. As of December 31, 2021, 97% of customer margin was from four omnibus accounts.

9. RELATED PARTY TRANSACTIONS

The Company, Nanhua USA Investment LLC, and Chicago Institute of Investment Inc., related parties, are respectively responsible for and bear one-third, one-third and one-third of the business costs of the office space, including rent, utilities, office equipment and supplies, office devices, internet and communication service, postage and printing, and other expenses the CEO approves in advance. As of December 31, 2021, an amount of $0 was receivable from Chicago Institute of Investment and Nanhua USA Investment LLC, an amount of $67,721,306 was payable to a related party customer, and an amount of $ 121,999 was payable to non-customer related parties.

10. COMMITMENTS

Office Rental: The Company conducts its operations in leased office facilities under noncancelable leases that expire at various dates through November 30, 2026. The leases are subject to escalation clauses based on the operating expenses of the lessors.

The Company recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Company is a lessee in two non-cancelable operating leases, for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (“ROU”) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of the leases are not readily determinable and accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Company’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

The Company has obligations as a lessee for office space with initial non-cancelable terms in excess of one year. The Company classifies these leases as operating leases. The Company’s leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for one of the

Company's leases, variable payments. The Company's office space leases require it to make variable payments for the Company's proportionate share of the building's property taxes, insurance, and common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

Amounts reported in the Statement of Financial Condition as of December 31, 2021 were as follows:

Right of use assets	$ 517,441
Lease liabilities	$ 538,269

Other information related to office leases as of December 31, 2021 was as follows:

Reductions to ROU assets resulting from reductions to lease obligations:	
Office leases	$ 95,492
Weighted average remaining lease term:	
Office leases	5 years
Weighted average discount rate:	
Operating leases	3.50%

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications or reassessments.

Maturities of lease liabilities under non-cancelable operating leases as of December 31, 2021 are as follows:

2022	$113,822
2023	116,668
2024	119,585
2025	122,574
2026	115,083
Subtotal	587,732
Less imputed interest	49,462
Total lease liabilities	$538,270

The Company has a certificate of deposit for securing a letter of credit in the amount of $97,820, which has been delivered in connection with an office lease. The letter of credit expires March 31, 2027. The letter of credit is collateralized by the restricted cash.

11. SUBSEQUENT EVENTS

The Company's management evaluated events and transactions from December 31, 2021 through the date of this report, which is the date this financial statement was available to be issued, and did not note any material events requiring disclosure in the Company's financial statement.

12. Simple IRA Plan for employees

The Company's current retirement plan is Savings Incentive Match Plan for Employees (SIMPLE) IRA by fidelity. The Company matches up to 3% of an employee's salary each pay period if the employee contributes 3% or more.

Supplementary Schedules

Schedule I

Name of Company: NANHUA USA LLC	Employer ID No: 46-3646807	NFA ID No: 0466494

CFTC FORM 1-FR-FCM
STATEMENT OF THE COMPUTATION OF THE MINIMUM CAPITAL REQUIREMENTS
AS OF 12/31/2021

<u>Net Capital</u>

1.	Current assets (page 3, line 20)			$ 171,372,322 [3000]
2.	Increase/(decrease) to U.S. clearing organization stock to reflect margin value			0 [3010]
3.	Net current assets			$ 171,372,322 [3020]
4.	Total liabilities (page 5, line 32)		$ 153,002,843 [3030]	
5.	Deductions from total liabilities			
	A. Liabilities subject to satisfactory subordination agreements (page 5, line 31.A)	$ 0 [3040]		
	B. Certain deferred income tax liability (see regulation 1.17(c)(4)(iv))	0 [3050]		
	C. Certain current income tax liability (see regulation 1.17(c)(4)(v))	0 [3060]		
	D. Long term debt pursuant to regulation 1.17(c)(4)(vi)	0 [3070]		
	E. Total deductions (add lines 5.A. - 5.D.)		0 [3080]	
	F. Adjusted liabilities (subtract line 5.E from line 4)			153,002,843 [3090]
6.	Net capital (subtract line 5.F. from line 3)			$ 18,369,479 [3100]

<u>Charges Against Net Capital (see regulation 1.17(c)(5))</u>

7.	Excess of advances paid on cash commodity contracts over 95% of the market value of commodities covered by such contracts	$ 0 [3110]
8.	Five percent (5%) of the market value of inventories covered by open futures contracts or commodity options (no charges applicable to inventories registered as deliverable on a contract market and which are covered by futures contracts)	0 [3120]
9.	Twenty percent (20%) of the market value of uncovered inventories or lesser percentage charge for uncovered balances in specified foreign currencies	4,318 [3130]
10.	Ten percent (10%) of the market value of commodities underlying fixed price commitments and forward contracts which are covered by open futures contracts or commodity options	0 [3140]
11.	Twenty percent (20%) of the market value of commodities underlying fixed price commitments and forward contracts which are not covered by open futures contracts or commodity options	0 [3150]

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

		Market Value		Charge			
12.	Charges as specified in section 240.15c3-1(c)(2)(vi) and (vii) against securities owned by firm, including securities representing investments of domestic and foreign customers' funds:						
A.	U.S. and Canadian government obligations	$ 0	3160	$ 0	3170		
B.	State and Municipal government obligations	0	3180	0	3190		
C.	Certificates of deposit, commercial paper and bankers' acceptances	0	3200	0	3210		
D.	Corporate obligations	0	3220	0	3230		
E.	Stocks and warrants	0	3240	0	3250		
F.	Other securities	0	3260	0	3270		
G.	Total charges (add lines 12.A. - 12.F.)					0	3280
13.	Charges as specified in section 240.15c3-1(c)(2)(iv)(F)						
A.	Against securities purchased under agreements to resell					0	3290
B.	Against securities sold under agreements to repurchase					0	3300
14.	Charges on securities options as specified in section 240.15c3-1, Appendix A					0	3310
15.	Undermargined commodity futures and commodity options accounts - amount in each account required to meet maintenance margin requirements, less the amount of current margin calls in that account and the amount of any noncurrent deficit in the account						
A.	Customer accounts					0	3320
B.	Noncustomer accounts					0	3330
C.	Omnibus accounts					0	3340
16.	Charges against open commodity and cleared OTC derivatives positions in proprietary accounts						
A.	Uncovered exchange-traded futures, cleared OTC derivatives positions and granted options contracts						
I	percentage of margin requirements applicable to such contracts			$ 0	3350		
II	Less: equity in proprietary accounts included in liabilities			0	3360	0	3370
B.	Ten percent (10%) of the market value of commodities which underlie commodity options not traded on a contract market carried long by the applicant or registrant which has value and such value increased adjusted net capital (this charge is limited to the value attributed to such options)					0	3380
C.	Commodity options which are traded on contract markets and carried long in proprietary accounts. Charge is the same as would be applied if applicant or registrant was the grantor of the options (this charge is limited to the value attributed to such options)					0	3390
17.	Five percent (5%) of all unsecured receivables from foreign brokers					2,979	3410
18.	Deficiency in collateral for secured demand notes					0	3420
19.	Adjustment to eliminate benefits of consolidation (explain on separate page)					0	3430
20.	Total charges (add lines 7 through 19)					$ 7,297	3440

See report of independent registered public accounting firm.

Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Net Capital Computation

21. Adjusted net capital (subtract line 20 from line 6)					$ 18,362,182	3500
22. Net capital required						
A. Risk Based Requirement						
i Amount of Customer Risk Maintenance Margin	$ 114,871,029	3515				
ii Enter 8% of line 22.A.i			$ 9,189,682	3525		
iii Amount of Non-Customer Risk Maintenance Margin	$ 0	3535				
iv Enter 8% of line 22.A.iii			$ 0	3545		
v Enter the sum of 22.A.ii and 22.A.iv			$ 9,189,682	3555		
B. Minimum Dollar Amount Requirement			$ 1,000,000	3565		
C. Other NFA Requirement			$ 0	3575		
D. Enter the greater of lines 22.A.v, 22.B. or 22.C.					$ 9,189,682	3600
23. Excess net capital (line 21 less line 22.D.)					$ 9,172,500	3610

Computation of Early Warning Level

24. If the Minimum Net Capital Requirement computed on line D (Box 3600) is:	$ 10,108,650	3620

- The Risk Based Requirement, enter 110% of line 22.A.v. (3555), or
- The Minimum Dollar Requirement of $1,000,000, enter 150% of line 22.B. (3565), or
- The Minimum Dollar Requirement of $20,000,000 for FCMs offering or engaging in retail forex transactions or Retail Foreign Exchange Dealers ("RFED"), enter 110% of line 22.B (3565), or
- Other NFA Requirement for FCMs offering or engaging in retail forex transaction or Retail Foreign Exchange Dealers ("RFED"), as calculated on line 11.F (8210) of Exchange Supplementary Schedule, enter 110% of line 22.C. (3575), or
- Any other NFA Requirement, enter 150% of line 22.C. (3575)

This is your early warning capital level. If this amount is greater that the amount on line 21, you must immediately notify your DSRO and the Commission pursuant to section 1.12 of the regulations.

Guaranteed Introducing Brokers

25. List all IBs with which guarantee agreements have been entered into by the FCM and which are currently in effect . See Attached	3650

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule II

Nanhua USA LLC
(d/b/a Nanhua USA Futures LLC)
Reconciliation of the Statement of Financial Condition to the
Statement of the Computation of the Minimum Capital Requirements
December 31, 2021

Total Assets per the Statement of Financial Condition		$ 175,009,008
Less:		
Non-allowable assets		
Restricted cash	97,820	
Intangible assets	1,373,600	
Property and equipment, net	32,864	
Other assets	102,169	
Total non-allowable assets		1,606,453
Current assets excluding net option value		**173,402,555**
Add:		
Other right of use asset difference		612
Less:		
Customer owned option value		(2,030,845)
Total current assets per the statement of capital computation		**$ 171,372,322**
Total Liabilities per the Statement of Financial Condition		$ 155,033,076
Add:		
Other lease liability difference		612
Less:		
Customer owned option value		(2,030,845)
Total liabilities per the statement of capital computation		**$ 153,002,843**

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule III

Name of Company: NANHUA USA LLC	Employer ID No: 46-3646807	NFA ID No: 0466494

CFTC FORM 1-FR-FCM
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES
AS OF 12/31/2021

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)

1.	Net ledger balance				
	A. Cash			$ 186,664,219	5000
	B. Securities (at market)			0	5010
2.	Net unrealized profit (loss) in open futures contracts traded on a contract market			(33,238,205)	5020
3.	Exchange traded options				
	A. Market value of open option contracts purchased on a contract market			449,478	5030
	B. Market value of open option contracts granted (sold) on a contract market			(2,480,323)	5040
4.	Net equity (deficit) (add lines 1, 2, and 3)			$ 151,395,169	5050
5.	Accounts liquidating to a deficit and accounts with debit balances - gross amount	$ 0	5060		
	Less: amount offset by customer owned securities	0	5070	0	5080
6.	Amount required to be segregated (add lines 4 and 5)			$ 151,395,169	5090

FUNDS IN SEGREGATED ACCOUNTS

7.	Deposited in segregated funds bank accounts		
	A. Cash	$ 13,316,407	5100
	B. Securities representing investments of customers' funds (at market)	0	5110
	C. Securities held for particular customers or option customers in lieu of cash (at market)	0	5120
8.	Margins on deposit with derivatives clearing organizations of contract markets		
	A. Cash	152,507,664	5130
	B. Securities representing investments of customers' funds (at market)	0	5140
	C. Securities held for particular customers or option customers in lieu of cash (at market)	0	5150
9.	Net settlement from (to) derivatives clearing organizations of contract markets	2,520,385	5160
10.	Exchange traded options		
	A. Value of open long option contracts	449,478	5170
	B. Value of open short option contracts	(2,480,323)	5180
11.	Net equities with other FCMs		
	A. Net liquidating equity	0	5190
	B. Securities representing investments of customers' funds (at market)	0	5200
	C. Securities held for particular customers or option customers in lieu of cash (at market)	0	5210
12.	Segregated funds on hand (describe:)	0	5215
13.	Total amount in segregation (add lines 7 through 12)	$ 166,313,611	5220
14.	Excess (deficiency) funds in segregation (subtract line 6 from line 13)	$ 14,918,442	5230
15.	Management Target Amount Excess funds in segregation	$ 3,500,000	5240
16.	Excess (deficiency) funds in segregation over (under) Management Target Amount Excess	$ 11,418,442	5250

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule IV

Name of Company: NANHUA USA LLC	Employer ID No: 46-3646807	NFA ID No: 0466494

CFTC FORM 1-FR-FCM
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS
IN SEGREGATION FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS
AS OF 12/31/2021

1.	Amount required to be segregated in accordance with Commission regulation 32.6			$ 0	5400
2.	Funds in segregated accounts				
	A. Cash	$ 0	5410		
	B. Securities (at market)	0	5420		
	C. Total			0	5430
3.	Excess (deficiency) funds in segregation (subtract line 1. from line 2.C.)			$ 0	5440

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule V

Name of Company: NANHUA USA LLC	Employer ID No: 46-3646807	NFA ID No: 0466494

CFTC FORM 1-FR-FCM
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7
AS OF 12/31/2021

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS

Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder			$ 0	5605
1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers				
A. Cash			$ 350,477	5615
B. Securities (at market)			$ 0	5617
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade			$(730)	5625
3. Exchange traded options				
A. Market value of open option contracts purchased on a foreign board of trade			$ 0	5635
B. Market value of open option contracts granted (sold) on a foreign board of trade			$ 0	5637
4. Net equity (deficit) (add lines 1, 2, and 3)			$ 349,747	5645
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	$ 0	5651		
Less: amount offset by customer owned securities	$ 0	5652	$ 0	5654
6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)			$ 349,747	5655
7. Greater of amount required to be set aside to a foreign jurisdiction (above) or line 6.			$ 349,747	5660

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule V (Continued)

Name of Company: NANHUA USA LLC	Employer ID No: 46-3646807	NFA ID No: 0466494

CFTC FORM 1-FR-FCM
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS
PURSUANT TO COMMISSION REGULATION 30.7
AS OF 12/31/2021

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

1. Cash in Banks				
A. Banks located in the United States	$ 644,509	5700		
B. Other banks qualified under Regulation 30.7 Name(s): See Attached 5710	0	5720	$ 644,509	5730
2. Securities				
A. In safekeeping with banks located in the United States	$ 0	5740		
B. In safekeeping with other banks qualified under Regulation 30.7 Name(s): _ 5750	0	5760	0	5770
3. Equities with registered futures commission merchants				
A. Cash	$ 0	5780		
B. Securities	0	5790		
C. Unrealized gain (loss) on open futures contracts	0	5800		
D. Value of long option contracts	0	5810		
E. Value of short option contracts	0	5815	0	5820
4. Amounts held by clearing organizations of foreign boards of trade Name(s): _ 5830				
A. Cash	$ 0	5840		
B Securities	0	5850		
C. Amount due to (from) clearing organization - daily variation	0	5860		
D. Value of long option contracts	0	5870		
E. Value of short option contracts	0	5875	0	5880
5. Amounts held by members of foreign boards of trade Name(s): See Attached 5890				
A. Cash	$ 60,313	5900		
B. Securities	0	5910		
C. Unrealized gain (loss) on open futures contracts	(730)	5920		
D. Value of long option contracts	0	5930		
E. Value of short option contracts	0	5935	59,583	5940
6. Amounts with other depositories designated by a foreign board of trade Name(s): _ 5950			0	5960
7. Segregated funds on hand (describe): _			0	5965
8. Total funds in separate section 30.7 accounts			$ 704,092	5970
9. Excess (deficiency) Set Aside Funds for Secured Amount (Subtract line 7 Secured Statement Page 1 from line 8)			$ 354,345	5680
10. Management Target Amount for Excess funds in separate 30.7 accounts			100,000	5980
11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target Excess			254,345	5985

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.

Schedule VI

SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER:	**as of:** 12/31/2021

STATEMENT OF CLEARED SWAPS SEGREGATION REQUIREMENTS AND
FUNDS IN CLEARED SWAPS CUSTOMER ACCOUNTS UNDER 4D(F) OF THE CEA

Cleared Swaps Customer Requirements

1.	Net ledger balance				
	A. Cash			$ 0	8500
	B. Securities (at market)			0	8510
2.	Net unrealized profit (loss) in open cleared swaps			0	8520
3.	Cleared swaps options				
	A. Market value of open cleared swaps option contracts purchased			0	8530
	B. Market value of open cleared swaps granted (sold)			0	8540
4.	Net equity (deficit) (add lines 1, 2 and 3)			0	8550
5.	Accounts liquidating to a deficit and accounts with debit balances				
	- gross amount	$ 0	8560		
	Less: amount offset by customer securities	0	8570	0	8580
6.	Amount required to be segregated for cleared swaps customers (add lines 4 and 5)			0	8590

Funds in Cleared Swaps Customer Segregated Accounts

7.	Deposited in cleared swaps customer segregated accounts at banks		
	A. Cash	$ 0	8600
	B. Securities representing investments of cleared swaps customers' funds (at market)	0	8610
	C. Securities held for particular cleared swaps customers in lieu of cash (at market)	0	8620
8.	Margins on deposit with derivatives clearing organizations in cleared swaps customer segreated accounts		
	A. Cash	0	8630
	B. Securities representing investments of cleared swaps customers' funds (at market)	0	8640
	C. Securities held for particular cleared swaps customers in lieu of cash (at market)	0	8650
9.	Net settlement from (to) derivatives clearing organizations	0	8660
10.	Cleared swaps options		
	A. Value of open cleared swaps long option contracts	0	8670
	B. Value of open cleared swaps short option contracts	0	8680
11.	Net equities with other FCMs		
	A. Net liquidating equity	0	8690
	B. Securities representing investments of cleared swaps customers' funds (at market)	0	8700
	C. Securities held for particular cleared swaps customers in lieu of cash (at market)	0	8710
12.	Cleared swaps customer funds on hand (describe:)	0	8715
13.	Total amount in cleared swaps customer segregation (add lines 7 through 12)	0	8720
14.	Excess (deficiency) funds in segregation (subtract line 6 from line 13)	$ 0	8730
15.	Management target Amount for Excess funds in cleared swaps segregated accounts	$ 0	8760
16.	Excess (deficiency) funds in cleared swaps customer segregation over (under) Management Target Excess	$ 0	8770

See report of independent registered public accounting firm.
Note: There were no material differences between the preceding computation and the Company's corresponding unaudited Form 1-FR as of December 31, 2021.