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**中國融保金融集團有限公司**  
**China Assurance Finance Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8090)

**HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 26 April 2012.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of China Assurance Finance Group Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 26 April 2012.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by Securities and Future Commission (the “**SFC**”) on 7 May 2012.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 26 April 2012, 12 Shareholders held an aggregate of 374,850,000 shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), representing 24.34% of the issued Shares. Such shareholding, together with 1,155,000,000 Shares (representing 75.00% of the issued Shares) held aggregately by 2 substantial Shareholders, represented 99.34% of the issued Shares as at 26 April 2012. Therefore, only 10,150,000 Shares (representing 0.66% of the issued Shares) were held by other Shareholders.

As at 26 April 2012, the shareholding structure of the Company was as follows:—

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Team King Limited ( <i>Note 1</i> )	1,024,716,000	66.54
Mr. So Chi Ming ( <i>Note 2</i> )	130,284,000	8.46
A group of 12 Shareholders ( <i>Note 3</i> )	374,850,000	24.34
Other Shareholders	10,150,000	0.66
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Total	<u>1,540,000,000</u>	<u>100.00</u>

*Note 1: Team King Limited is legally and beneficially owned by Capital Gain Investments Holdings Limited and Best Access Holdings Group Limited. Capital Gain Investments Holdings Limited is legally and beneficially owned as to 51% by the vice chairman of the Company, Mr. Pang Man Kin Nixon, and 49% by the chief executive officer of the Company, Mr. Chang Hoi Nam. Best Access Holdings Group Limited is legally and beneficially owned by Dr. Ma Chung Wo Cameron.*

*Note 2: Those Shares were held by Joyful Promote Limited, which is legally and beneficially owned by Mr. So Chi Ming.*

*Note 3: 258,950,000 Shares (representing 16.81% of the issued Shares) were held by 8 Shareholders who initially obtained 266,000,000 Shares through the placing of the Company in January 2012.*

Based on the information provided by the SFC:

The Company was listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange on 6 January 2012 by way of placing a total of 385,000,000 Shares, comprising 150,000,000 new Shares and 235,000,000 sale Shares, at HK\$0.28 per Share.

Share price of the Company closed at HK\$0.445 on the first day of listing. Since 1 March 2012, Share price of the Company started to increase significantly and closed at HK\$0.67 on 4 May 2012, an increase of 139.30% from its placing price.

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and that the Board has not verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the information above except the shareholding of the Shareholder, namely Team King Limited set out in the table above, the placing shares, the placing price and the respective closing prices of the Shares as at 6 January 2012 and 4 May 2012.

### **Public Float**

Based on the information available and to the best knowledge of the Board, as at 26 April 2012 and the date of this announcement, Team King Limited held 1,024,716,000 Shares, representing approximately 66.54% of the issued Shares.

The Board believes that, to the best of its knowledge, information and belief based on the information available to it, not less than 25% of the issued Shares are held in public hands and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”).

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and therefore should exercise extreme caution when dealing in the Shares.**

By order of the Board  
**China Assurance Finance Group Limited**  
**Pang Man Kin Nixon**  
*Executive Director*

Hong Kong, 7 May 2012

*As at the date of this announcement, the executive Directors are Mr. Chang Hoi Nam, Mr. Pang Man Kin Nixon and Mr. Chen Xiao Li; the non-executive Director is Mr. Chang Xi Min; and the independent non-executive Directors are Mr. Chan Kai Wing, Mr. Lam Raymond Shiu Cheung and Mr. Chow Shiu Ki.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.cafgroup.hk](http://www.cafgroup.hk).*