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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)**

**BUSINESS UPDATE**  
**AND**  
**PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR**  
**THE YEAR ENDED 31 DECEMBER 2019**

References are made to the announcements of China Assurance Finance Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) dated 1 April 2019, 25 April 2019, 2 May 2019, 9 May 2019, 24 May 2019, 26 June 2019, 5 July 2019, 14 August 2019, 22 August 2019, 12 September 2019, 8 October 2019, 14 October 2019, 31 October 2019, 22 November 2019, 17 December 2019, 31 December 2019 and 8 January 2020 (together as the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

**BUSINESS UPDATE**

With the outbreak of the 2019-nCoV Novel Coronavirus Pneumonia (“**NCP**”), a number of provinces and municipalities in the People’s Republic of China have taken public health emergency and travel restriction measures in order to prevent further spread of NCP.

As disclosed in the announcement of the Company dated 17 December 2019, the Company, Capital Gain, Green Shield and Mr. Pang entered into the Agreement with an aim to restructure the Group. It is expected that Green Shield will provide financing and financial support and will bring in strategic business partners and traders with various relevant commodities for the business development of the Group. With the connections and networks of Green Shield, it is expected that the Group can utilise such connections and networks to expand its business scope in ASEAN countries. It was originally expected that the aforesaid strategic supports will be materialised after the Chinese New Year but with the outbreak of NCP in late January 2020, the progress was inevitably delayed and disrupted.

Notwithstanding the outbreak of NCP, Green Shield issued a letter dated 11 February 2020 with emphasize of its intention to continue the transactions contemplated under the Agreement. Further announcement(s) will be made as and when appropriate by the Company in compliance with the GEM Listing Rules.

**PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019**

As disclosed in the announcement of the Company dated 8 January 2020, it was expected that the outstanding financial results of the Group required by the GEM Listing Rules would be published on or before 15 February 2020. However, with the NCP outbreak, the auditors could not conduct the relevant audit field works in the PRC and this inevitably causes delay in publication of the outstanding financial results of the Group. It is expected that the audit field works would be resumed as soon as practicable after the NCP outbreak having become relieved with relevant relaxation on travel restriction measures.

In order to keep the Shareholders and the public informed of the Group's business operation and financial position, the Board would like to provide the Shareholders and the public with the preliminary unaudited financial information of the Group for the year ended 31 December 2019 together with the unaudited comparative figures for the same period in 2018.

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2019*

	<b>2019</b> <b><i>RMB'000</i></b> <b>(Unaudited)</b>	2018 <i>RMB'000</i> (Unaudited)
Revenue	<b>5,594</b>	10,793
Other income	<b>2,492</b>	13,665
Gain on bargain purchase	—	8,861
Selling expenses	—	(66)
Administrative and operating expenses	<b>(71,110)</b>	(126,518)
Finance costs	<b>(86,970)</b>	(40,275)
Equity-settled shared-based payment expenses	—	(27,514)
Share of losses of associates	<u><b>(1,252)</b></u>	<u>—</u>
Loss before income tax	<b>(151,246)</b>	(161,054)
Income tax credit	<u><b>11,965</b></u>	<u>12,124</u>
Loss for the year	<b>(139,281)</b>	(148,930)
Other comprehensive expense, net of tax		
Items that will be reclassified to profit or loss subsequently		
Exchange loss on translation of financial statements of foreign operations	<u><b>(6,076)</b></u>	<u>(1,396)</u>
Total comprehensive expense for the year	<u><b>(145,357)</b></u>	<u>(150,326)</u>
Loss for year attributable to:		
Owners of the Company	<b>(134,965)</b>	(126,299)
Non-controlling interests	<u><b>(4,316)</b></u>	<u>(22,631)</u>
	<u><b>(139,281)</b></u>	<u>(148,930)</u>
Total comprehensive expense attributable to:		
Owners of the Company	<b>(141,041)</b>	(127,695)
Non-controlling interests	<u><b>(4,316)</b></u>	<u>(22,631)</u>
	<u><b>(145,357)</b></u>	<u>(150,326)</u>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	2019 <i>RMB'000</i> (Unaudited)	2018 <i>RMB'000</i> (Unaudited)
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,308	18,943
Investment properties	74,000	74,000
Land use rights	1,477	1,477
Intangible assets	788,086	835,200
Deposits paid and deferred expenditure	59	492
Prepayments	1,973	1,973
Deferred tax assets	39	39
	<u>879,942</u>	<u>932,124</u>
<b>Current assets</b>		
Accounts and other receivables	225,692	219,159
Amounts due from a related party	84,835	62,530
Derivative financial assets	11,061	10,748
Pledged bank deposits	18,500	32,869
Restricted bank deposits	—	6,838
Cash and cash equivalents		
— held on behalf of customers	5,305	16,644
Cash and cash equivalents		
— general accounts	6,980	31,986
	<u>352,373</u>	<u>380,774</u>
<b>Current liabilities</b>		
Accounts and other payables	216,792	241,636
Other borrowings	113,121	88,412
Convertible bonds	159,166	128,636
Finance lease liabilities	319	319
Current tax liabilities	10,798	10,798
	<u>500,196</u>	<u>469,801</u>

	<b>2019</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2018</b> <b>RMB'000</b> <b>(Unaudited)</b>
<b>Net current liabilities</b>	<b>(147,823)</b>	<b>(89,027)</b>
<b>Total assets less current liabilities</b>	<b><u>732,119</u></b>	<b><u>843,097</u></b>
<b>Non-current liabilities</b>		
Other borrowings	<b>105,960</b>	69,565
Finance lease liabilities	<b>146</b>	146
Deferred tax liabilities	<b><u>202,225</u></b>	<b><u>213,906</u></b>
	<b><u>308,331</u></b>	<b><u>283,617</u></b>
<b>Net assets</b>	<b><u><u>423,788</u></u></b>	<b><u><u>559,480</u></u></b>
<b>EQUITY</b>		
Share capital	<b>14,414</b>	14,414
Reserves	<b><u>190,172</u></b>	<b><u>321,548</u></b>
<b>Equity attributable to owners of the Company</b>	<b><u>204,586</u></b>	<b><u>335,962</u></b>
<b>Non-controlling interests</b>	<b><u>219,202</u></b>	<b><u>223,518</u></b>
<b>Total equity</b>	<b><u><u>423,788</u></u></b>	<b><u><u>559,480</u></u></b>

Shareholders and potential investors are reminded that the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group for the year ended 31 December 2019, and is not based on any data or information that has been audited or reviewed by the Auditors and the audit committee of the Board (the “Audit Committee”) and the information contained in this announcement has not been reviewed or audited by the Auditors. The relevant financial information is pending for further review by the Company, its Auditors, the Audit Committee and independent professional valuers, and will be subject to changes, reclassification and adjustments resulting from, among others, further review by the Company and any adjustments that might be proposed by the Auditors. The Board cannot guarantee the unaudited financial results have truly reflected the financial performance and condition of the Group and might be misleading if the potential adjustments have not been taken into account.

Shareholders and potential investors are also cautioned not to unduly rely on the unaudited financial information disclosed above, and should exercise caution when dealing in the shares or other securities of the Company.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2019. Trading in the Shares will remain suspended until further notice.

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

Hong Kong, 24 February 2020

*As at the date of this announcement, the executive Directors are Mr. Pang Man Kin Nixon, Mr. Chan Kim Leung, Dato' Sri Hah Tiing Siu and Mr. Wan Tat Wai David; the non-executive Director is Mr. Peng Gengsheng; 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at [www.cafgroup.hk](http://www.cafgroup.hk).*