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Fanhua Inc.



Fanhua Announces Completion of its Expanded Share Repurchase Program and New Share Issuance under its 521 Development Plan

January 24, 2019

GUANGZHOU, China, Jan. 24, 2019 (GLOBE NEWSWIRE) -- Fanhua Inc. (Nasdaq: [FANH](#)) (the "Company" or "Fanhua"), a leading independent financial services provider operating in China, today announced the completion of its expanded share repurchase program previously authorized by its board of directors (the "Board") and completion of the new share issuance under its 521 development plan.

In August 2018, the Company was authorized by the Board to repurchase up to 6.5 million American Depository Shares ("ADS") of the Company up to \$29.00 per ADS before December 30, 2018. As of December 30, 2018, the Company has repurchased 1,423,774 ADS (one ADS representing 20 ordinary shares of the Company) at an average price of US\$25.5285 per ADS, for a total amount of US\$ 36.3 million under the program.

Pursuant to Board approval previously announced in August 2018, on January 24, 2019, the Company resold the 1,423,774 ADSs which were held in treasury to participants in Fanhua's 521 development plans (the "Participants"), at \$25.52 per ADS, or the weighted average of the closing prices of the share repurchases under the share repurchase program. In the meantime, the Company was approved by the Board to newly issue and sell 101,524,520 ordinary shares (representing 5,076,226 ADSs) to the Participants at the same price.

As of the date of the announcement, combined with the 7.5 million ADS previously purchased by the Participants at US\$29.0 per ADS, a total of 14 million ADSs, representing 19.95% of the Company's expanded share capital, have been purchased by the Participants under the 521 development plan, at the weighted average price of US\$27.38 per ADS. These shares are subject to a five year lock-up period and the Participants must fulfill certain performance goals in the next five years in order to enjoy the full appreciation in the value of the ADSs.

About Fanhua Inc.

Fanhua Inc. is a leading independent online-to-offline financial services provider. Through our online platforms and offline sales and service network, we offer a wide variety of financial products and services to individuals and businesses, including property and casualty and life insurance products. We also provide insurance claims adjusting services, such as damage assessments, surveys, authentications and loss estimations, as well as value-added services, such as emergency vehicle roadside assistance. Our online platforms include: (1) Lan Zhanggu, an all-in-one platform which allows our agents to access and purchase a wide variety of insurance products, including life insurance, auto insurance, accident insurance, travel insurance and standard health insurance products from multiple insurance companies on their mobile devices; (2) CNpad, a mobile sales support application; (3) Baoxian.com, an online entry portal for comparing and purchasing health, accident, travel and homeowner insurance products; and (4) ehuzhu ([www.ehuzhu.com](#)), a non-profit online mutual aid platform in China.

As of September 30, 2018, our distribution and service network is consisted of 754 sales and service outlets covering 31 provinces.

For more information about Fanhua Inc., please visit <http://ir.fanhuaholdings.com/>.

Forward-looking Statements

This press release contains statements of a forward-looking nature. These statements, including the statements relating to the Company's future financial and operating results, are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "will," "expects," "believes," "anticipates," "intends," "estimates" and similar statements. Among other things, management's quotations and the Business Outlook section contain forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about Fanhua and the industry. Potential risks and uncertainties include, but are not limited to, Fanhua's ability to attract and retain key personnel and productive agents, its ability to maintain existing and develop new business relationships with insurance companies, its ability to execute its growth strategy, its ability to adapt to the evolving regulatory environment in the Chinese insurance industry, its ability to compete effectively against its competitors, quarterly variations in its operating results caused by factors beyond its control and macroeconomic conditions in China and their potential impact on the sales of insurance products. All information provided in this press release is as of the date hereof, and Fanhua undertakes no obligation to update any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although Fanhua believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that its expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results. Further information regarding risks and uncertainties faced by Fanhua is included in Fanhua's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F.

For more information about Fanhua Inc., please visit <http://ir.fanhuaholdings.com/>.

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