



August 31, 2011

CNinsure Announces Acquisition of Two Insurance Agencies

GUANGZHOU, China, Aug. 31, 2011 (GLOBE NEWSWIRE) -- CNinsure Inc. (Nasdaq:CISG) (the "Company" or "CNinsure"), a leading independent insurance intermediary company operating in China, today announced that it has entered into definitive agreements to acquire 100% equity interests in Guangzhou Huajie Insurance Agency Co., Ltd. ("Huajie") and Dongguan Zhongxin Insurance Agency Co., Ltd. ("Zhongxin") from Chengdu Jingshi Investment Co., Ltd. ("Chengdu Jingshi" or "Selling Shareholder"). The transactions are expected to close in September 2011, subject to certain consents, authorizations and other customary closing conditions.

Both of the acquisition considerations for Huajie and Zhongxin are RMB25 million, representing a PE multiple of ten times based on their guaranteed net profits in 2012. Meanwhile, the Selling Shareholder agrees to provide 50% of the considerations to CNinsure as security deposits to guarantee the performance of Huajie and Zhongxin in 2012 and 2013. It also agrees to return certain portion of the considerations to CNinsure if Huajie and Zhongxin fail to achieve the performance targets in 2012 and 2013.

Founded by Chengdu Jingshi in June 2009, Huajie is based in Guangzhou, primarily engaged in the distribution of property and casualty insurance products.

The predecessor of Zhongxin was Dongguan Hongsheng Automobile Service Co., Ltd., which was founded in 2003 and distributed insurance products on an ancillary basis. The company was acquired by Chengdu Jingshi and subsequently restructured into a professional insurance agency in January 2010 to focus on the distribution of property and casualty insurance products.

Huajie and Zhongxin are both among the 21 ongoing projects that CNinsure has cooperated with Chengdu Jingshi. On February 15, 2011, CNinsure entered into a cooperation termination agreement with Chengdu Jingshi, pursuant to which both parties agree to continue to honor existing agreements related to the ongoing projects and to discontinue cooperation for future acquisitions. As of the effective date of the cooperation termination agreement, of the 21 ongoing projects, there were nine projects, including Huajie and Zhongxin, that were in the development stage and CNinsure has preemptive right to acquire controlling stakes or 100% of the stakes if the businesses satisfy CNinsure's requirements.

Commenting on the acquisition, Mr. Yinan Hu, CNinsure's chairman and chief executive officer, stated, "The acquisition of Huajie and Zhongxin is a strategic step for us to strengthen our sales and service network in Guangdong Province, especially in the affluent Pearl River Delta cities. In addition, it enables us to turn potential competitors into allies and helps further entrench our leadership in the region."

About CNinsure Inc.

CNinsure is a leading independent insurance intermediary company operating in China. CNinsure's distribution network reaches many of China's most economically developed regions and affluent cities. The Company distributes a wide variety of property and casualty and life insurance products underwritten by domestic and foreign insurance companies operating in China, and provides insurance claims adjusting as well as other insurance-related services.

Forward-looking Statements

This press release contains statements of a forward-looking nature. These statements 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. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about CNinsure and the industry. Potential risks and uncertainties include, but are not limited to, those relating to whether any definitive offer will be made, whether any agreement will be executed or whether this or any other transaction will be approved or consummated, as well as CNinsure's limited operating history, especially its limited experience in selling life insurance products, its ability to attract and retain productive agents, especially entrepreneurial 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 August 31, 2011, and CNinsure 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 CNinsure 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 CNinsure is included in CNinsure's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F.

CONTACT: For more information, please contact:

Oasis Qiu
Investor Relations Manager
Tel: +86-20-61222777x850
Email: qiusr@cninsure.net

Source: Globe Newswire

(August 31, 2011 - 6:39 AM EDT)

News by QuoteMedia