

CNFinance's Announcement Regarding Recent Regulatory Development

CNFinance noticed that, according to the Interim Measures on Internet Micro Lending Loans newly issued jointly by the China Banking and Insurance Regulatory Commission and the People's Bank of China (the "Consultation Paper"). on November 2, 2020, microloan companies that engage in joint lending or loan facilitation partnership with funding partners will be subject to restrictions with respect to risk management, qualification of joint lending or loan facilitation partners and use of credit enhancement services, among others.

As previously disclosed in the 2019 annual report, CNFinance's loan facilitation volume funded through its microloan subsidiaries was 0 during the fiscal year of 2019. Thus, CNFinance does not expect the Consultation Paper to have any material and adverse impact on its operations. However, it is possible in the future that regulatory authorities may adopt or announce new rules, interpretations and/or clarifications which requires the Company to re-evaluate its position.

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