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Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

- (1) PROPOSED ISSUE OF NEW H SHARES UNDER
SPECIFIC MANDATE**
- (2) PROPOSED FULL CIRCULATION OF DOMESTIC
SHARES INTO H SHARES**
- (3) PROPOSED FULL CIRCULATION OF UNLISTED
FOREIGN SHARES INTO H SHARES**
- AND**
- (4) PROPOSED CONSEQUENTIAL AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

PROPOSED ISSUE OF NEW H SHARES UNDER SPECIFIC MANDATE

The Board announces that it has resolved on 17 April 2020 to convene the EGM and the Class Meetings for the approval of the proposed Specific Mandate to the Board to issue not more than 427,930,280 New H Shares, representing not more than 20.0% and 16.7% of the total share capital of the Company before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued); and not more than approximately 79.3% and 44.2% of the total number of H Shares in issue before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued and without taking into account the H Share Full Circulation).

PROPOSED H SHARE FULL CIRCULATION

The Board announces that it has resolved on 17 April 2020 to convene the EGM for the approval of Domestic Share Full Circulation and Unlisted Foreign Share Full Circulation. As at the date of this announcement, detailed implementation plans of the Domestic Share Full Circulation and Unlisted Foreign Share Full Circulation have not been finalised.

PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Upon completion of the New H Shares Issue and the H Share Full Circulation, the number of H Shares in issue, the registered capital and the capital structure of the Company will change and therefore consequential amendments to the Articles of Association are necessary. The capital structure of the Company will be altered upon completion of the New H Shares Issue and H Share Full Circulation. Accordingly, the Directors will seek from the Shareholders at the EGM and Class Meetings the approval and authority to amend the relevant provisions in the Articles of Association to reflect the new capital structure of the Company as a result of the issuance of New H Shares pursuant to the New H Shares Issue and the H Share Full Circulation.

GENERAL

The EGM and/or Class Meetings will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the Domestic Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Domestic Share Full Circulation; (iii) the Unlisted Foreign Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Unlisted Foreign Share Full Circulation and (iv) the proposed consequential amendments to the Articles of Association. The New H Shares Issue and H Share Full Circulation are also subject to other conditions as set out in this announcement.

A circular containing, among other things, details of the New H Shares Issue and the H Share Full Circulation will be despatched to the Shareholders as soon as practicable in accordance with the Articles of Association, the Listing Rules and the applicable requirements under PRC laws and regulations.

In view that the New H Shares Issue and the H Share Full Circulation are subject to certain conditions and accordingly may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares or other securities of the Company.

I. PROPOSED ISSUE OF NEW H SHARES UNDER SPECIFIC MANDATE

The Board announces that, it has resolved on 17 April 2020 to convene the EGM and the Class Meetings for the approval of the proposed Specific Mandate to the Board to issue not more than 427,930,280 New H Shares, representing not more than 20.0% and 16.7% of the total share capital of the Company before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued); and not more than approximately 79.3% and 44.2% of the total number of H Shares in issue before and after the New H Shares Issue, respectively (assuming the maximum of 427,930,280 New H Shares are issued and without taking into account the H Share Full Circulation).

Details of the New H Shares Issue are as follows:

(1) Issuer of the New H Shares

The Company.

(2) Class of Shares to be issued

Overseas listed foreign shares (H Shares).

(3) Aggregate nominal value

Given the nominal value per share is RMB1.00, the aggregate nominal value of the New H Shares to be issued is RMB427,930,280.

(4) Time of issuance

The Company will select an appropriate time within the validity period of the resolutions to be passed at the EGM and the Class Meetings to undertake the New H Shares Issue in a single or multiple series. The Board and the persons delegated by the Board will determine the actual time of issuance with reference to the international capital market conditions, as well as the status of review of the Company's application for the relevant approvals by the PRC and overseas administrative and/or regulatory authorities.

(5) Method of issuance

The New H Shares Issue will be carried out by way of (including but not limited to) placing. Depending on the prevailing market conditions and barring unforeseen circumstances, if the New H Shares Issue is carried out by way of placing of New H Shares through placing agent(s), the Company expects that the placing will be conducted by such placing agent(s) on either a best effort basis or a fully underwritten basis.

(6) Target investors

The New H Shares will be issued/placed to qualified institutional, corporate and natural persons and other investors, who are independent of and not connected with any directors, supervisors, chief executive officer or substantial shareholders (as defined under the Listing Rules) of the Company or its subsidiaries or any of their respective associates (as defined under the Listing Rules).

As at the date of this announcement, the Company has not yet identified any placing agent or investor, nor had it entered into any definitive agreement, for the New H Shares Issue. The Company will make further announcement(s) upon entering into any definitive agreement(s) with placing agent(s) and/or investor(s) in connection with the New H Shares Issue where appropriate or as required under the Listing Rules.

(7) Pricing mechanism

Under the applicable PRC laws, each series of New H Shares Issue shall have the same issuance conditions and issue price. Except that the issue price of New H Shares may not be lower than the nominal value per share (being RMB1.00), there are no relevant restrictive provisions required by the laws of the PRC on the issue price of Shares used in the New H Shares Issue.

The New H Shares will be issued at a price to be determined by the Board after taking into account the interests of existing Shareholders, investors' capabilities and the potential issuance risks, as well as the market practice and applicable regulatory requirements, and with reference to the capital market conditions and the valuations of comparable companies at the time when the Company issues the New Shares. The Board has resolved that the issue price will be not lower than 80% of the average closing price of the H Shares as quoted on the Stock Exchange over the last five trading days prior to the date of determining such issue price. The issue price of the New H Shares shall be set to ensure that it will not result in a Theoretical Dilution Effect of 25% or more.

(8) Method of subscription

The New H Shares are to be subscribed by the investors in cash, and to be issued/placed in accordance with the terms of the subscription agreement(s) to be entered into between the Company and the investor(s), or be issued/placed in accordance with the terms of the issuance/placing agreement(s) to be entered into between the Company and the issuance/placing agent(s) in relation to the New H Shares Issue.

(9) Size of issuance

The Company will issue not more than 427,930,280 New H shares. Assuming the maximum 427,930,280 New H Shares are issued, the New H Shares will represent not more than approximately 79.30% of the total number of H Shares in issue and 20.00% of the total number of Shares in issue of the Company as at the date of this announcement, respectively; or not more than approximately 16.7% of the total number of Shares in issue of the Company as enlarged by the New H Shares Issue as at the date of this announcement. The size of issuance of the New H Shares has been determined by the Board with reference to the Company's plan to enlarge the equity base of the Company for the reasons as more particularly described in "Reasons for and benefits of the New H Shares Issue" below.

Prior to the New H Shares Issue, the total number of Shares in issue of the Company is 2,139,651,400 Shares, in which the number of H Shares is 539,651,400 Shares; upon the completion of the New H Shares Issue (assuming the maximum 427,930,280 New H Shares are issued), the total number of Shares in issue of the Company will be 2,567,581,680 Shares, in which the number of H Shares will be 967,581,680 Shares. The number of Domestic Shares and Unlisted Foreign Shares will remain unchanged as 80,000,000 Shares and 1,520,000,000 Shares respectively. Please refer to "POSSIBLE EFFECTS OF THE NEW H SHARES ISSUE AND THE H SHARE FULL CIRCULATION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" on below for details of the shareholding structure.

(10) Use of proceeds

The proceeds of the New H Shares Issue, after deducting relevant expenses, will be mainly used to strengthen the capital structure, increase operating liquidity in order to facilitate the continuous development of our retail loan and dealer loan businesses.

(11) Ranking of the New H Shares

The New H Shares shall rank *pari passu* with the H Shares in issue prior to such issuance once the New H Shares are fully paid.

There is no mandatory lock-up period applicable to the New H Shares under PRC laws, the Articles of Association and the Listing Rules. However, the New H Shares may be subject to lock-up period depending on the terms of the agreement(s) that may be entered into by the Company with placing agent(s) and/or investor(s) in connection with the New H Shares Issue, which is currently contemplated to be six months.

(12) Place of the listing of the New H Shares

The New H Shares will be listed and traded on the Stock Exchange subject to satisfying the conditions of the New H Shares Issue as stated below.

(13) Validity period of the resolutions

The resolutions relating to the New H Shares Issue will be valid for 12 months, commencing from the date of passing of the relevant resolutions at the EGM and the Class Meetings. The Board may, if necessary, seek for Shareholders' approval for the extension of the validity period of the relevant resolutions relating to the New H Shares Issue.

(14) Other relevant authorisations

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the New H Shares Issue with full authority during the validity period of the resolutions relating to the New H Shares Issue. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission which, among others, includes (a) the application to the bank and insurance regulatory authorities for approving the New H Shares Issue; (b) the application to the CSRC for approving the New H Shares Issue; (c) report to the bank and insurance regulatory authorities on the revised articles of association of the Company arising from the issuance to the banking and insurance regulatory authorities; (d) application for the registration procedures with respect to change in the registered capital due to the New H Shares Issue with the commerce administration authorities; (e) application for the registration procedures with respect to change in the registered capital due to the New H Shares Issue with the administration of industry and commerce; and (f) application for completion of foreign exchange settlement procedures with the relevant foreign exchange administration and the relevant designated foreign exchange banks in respect of the New H Shares Issue;
- (2) execute and submit all the relevant applications, reports and other documents to the Stock Exchange;
- (3) be responsible for determining the terms of the New H Shares Issue, including the determination of the actual size, issue price including the price range and final price), timing, method, actual use of proceeds and target placee(s) and/or subscriber(s) of the New H Shares Issue, the execution,

implementation, modification and termination of any agreement, contract or other documents in relation to the exercise of the Specific Mandate to issue the New H Shares, making adjustment to the use of proceeds of the New H Shares Issue, and any other relevant matters;

- (4) be responsible for negotiating and entering into subscription agreement(s) with investor(s) or issuance/placing agreement(s) with the issuance/placing agent(s) in relation to the New H Shares Issue, and approving any revision or amendments to such subscription agreement(s) or issuance/placing agreement(s) (including any supplemental agreement(s), where applicable);
- (5) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the New H Shares Issue;
- (6) depending on the requirements at the time of the issuance, recruit and engage the global coordinator(s), underwriter(s), placing agent(s), domestic and overseas intermediaries and other professional parties for the New H Shares Issue, and sign, implement, suspend or terminate the recruitment or engagement agreements or other related legal documents;
- (7) make appropriate amendments to the terms of the New H Shares Issue in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (8) execute, implement, amend and complete the documents in relation to the New H Shares Issue and do such act as necessary and appropriate in relation to the New H Shares Issue;
- (9) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the New H Shares Issue on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (10) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue on the Main Board of the Stock Exchange;
- (11) amend relevant articles of the Articles of Association in accordance with the actual results of the New H Shares Issue and deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities; and

(12) do other acts as necessary and appropriate in relation to the New H Shares Issue and the listing of all of the New H Shares on the Stock Exchange.

Upon the authorisation by the Shareholders at the EGM and the Class Meetings as mentioned above, the Board will delegate such authorisation to Mr. Lin Fan (林帆) (the chairman and executive Director of the Company) or his authorised person(s), severally or jointly, to exercise the authorisation granted by the Shareholders to the Board as mentioned above.

Depending on market conditions, the Board may or may not exercise the proposed Specific Mandate, if granted, to issue the New H Shares. If the Board proceeds with the New H Shares Issue pursuant to the Specific Mandate, a separate announcement will be made.

Conditions to the New H Shares Issue

The New H Shares Issue is conditional upon:

- (1) the grant of the proposed Specific Mandate by the Shareholders to the Board and the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate having been obtained at the EGM and the Class Meetings;
- (2) the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate by the relevant PRC administrative and/or regulatory authorities, being the CSRC and the competent authority under the CBIRC;
- (3) the entering into of the issuance/placing agreement(s) between the Company and the issuance/placing agent(s) and the subscription agreement(s) between the Company and the investor(s) (as the case may be) and such issuance/placing agreement(s) and subscription agreement(s) (as the case may be) not being terminated in accordance with the terms therein; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue.

The above conditions may not be waived by the Company and had not yet been satisfied as at the date of this announcement.

Listing Application

An application will be made by the Company for the listing of, and the permission to deal in, the New H Shares on the Stock Exchange.

Reasons for and Benefits of the New H Shares Issue

The purpose of the New H Shares Issue is to introduce strategic investors and strengthen the Company's capital structure, which can be further explained by the following reasons:

First, equity financing provides effective capital injection for the Company's development and augments its steady development under the current market conditions, which allows the Company to seize market opportunities, expand its market share in the retail loans business in the luxury-brand car sector, and further the development of the luxury-brand car auto finance ecosystem, thereby creating higher returns for its shareholders.

Second, the New H Shares Issue will enhance the Company's financing capabilities and broaden its financing channels. Equity financing does not incur any interest expense on the part of the Company and could restrain the build-up of the debt-ratio, which will improve the financing structure of the Company.

Third, the Company wishes to introduce strategic investors with strong corporate profiles as institutional shareholders. Such established institutional shareholders may be a favorable factor when the Company's loan applications are being assessed by the lending bankers and the Company may also learn from their corporate governance philosophy, which is conducive to the Company's corporate governance structure.

II. PROPOSED DOMESTIC SHARE FULL CIRCULATION

On 17 April 2020, the Board has resolved to convene the EGM for the approval of the matters in relation to the Domestic Share Full Circulation.

As at the date of this announcement, detailed implementation plan of the Domestic Share Full Circulation has not been finalised.

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the H Share Full Circulation with full authority for a period of 12 months commencing from the date of passing of the relevant resolutions incidental to the Domestic Share Full Circulation at the EGM and Class Meetings. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC, the Stock Exchange and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission;
- (2) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the Domestic Share Full Circulation;
- (3) execute, implement, amend and complete the documents in relation to the Domestic Share Full Circulation and do such act as necessary and appropriate in relation to the Domestic Share Full Circulation;
- (4) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the Domestic Share Full Circulation on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (5) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the Converted H Shares pursuant to the Domestic Share Full Circulation on the Main Board of the Stock Exchange;
- (6) amend relevant articles of the Articles of Association in accordance with the actual results of the Domestic Share Full Circulation and deal with the relevant registration and filing procedures with the governmental authorities; and
- (7) do other acts as necessary and appropriate in relation to Domestic Share Full Circulation and the listing of all of the H Shares converted from the Domestic Share Full Circulation on the Stock Exchange.

Conditions to the Domestic Share Full Circulation

The Domestic Share Full Circulation is conditional upon:

- (1) the approval of the proposed Domestic Share Full Circulation having been obtained at the EGM;

- (2) the grant of authorisation by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;
- (3) the approval of the proposed Domestic Share Full Circulation by the relevant PRC administrative and regulatory authority, being the CSRC; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the H Shares converted from the Domestic Share Full Circulation.

The above conditions may not be waived by the Company and had not yet been satisfied as at the date of this announcement.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the H Shares converted from the Domestic Share Full Circulation on the Stock Exchange, subject to Shareholders' approval at the EGM and the Class Meetings (other than class meeting of the holders of the Domestic Shares).

III. PROPOSED UNLISTED FOREIGN SHARE FULL CIRCULATION

On 17 April 2020, the Board has resolved to convene the EGM for the approval of the matters in relation to the Unlisted Foreign Share Full Circulation.

As at the date of this announcement, detailed implementation plan of the Unlisted Foreign Share Full Circulation has not been finalised.

The Board will seek the Shareholders' authorisation at the EGM and the Class Meetings respectively to authorise the Board and the person(s) delegated by the Board to deal with and complete all the matters in relation to the H Share Full Circulation with full authority for a period of 12 months commencing from the date of passing of the relevant resolutions incidental to the Unlisted Foreign Share Full Circulation at the EGM and the Class Meetings. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the CSRC, the Stock Exchange and other relevant PRC and overseas authorities and deal with all the relevant examination, registration, filing, approval and permission;
- (2) be responsible for dealing with all the matters in relation to obtaining all the approvals and permissions from the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the Unlisted Foreign Share Full Circulation;

- (3) make appropriate amendments to the terms of the Unlisted Foreign Share Full Circulation in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (4) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the Unlisted Foreign Share Full Circulation on the websites of the Stock Exchange, the Company or other legally required intermediaries, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (5) obtain from the Stock Exchange the approval for listing of and permission to deal in all of the Converted H Shares pursuant to the Unlisted Foreign Share Full Circulation on the Main Board of the Stock Exchange;
- (6) amend relevant articles of the Articles of Association in accordance with the actual results of the Unlisted Foreign Share Full Circulation and deal with the relevant registration and filing procedures with the relevant governmental authorities; and
- (7) do other acts as necessary and appropriate in relation to Unlisted Foreign Share Full Circulation and the listing of all of the H Shares converted from the Unlisted Foreign Share Full Circulation on the Stock Exchange.

Conditions to the Unlisted Foreign Share Full Circulation

The Unlisted Foreign Share Full Circulation is conditional upon:

- (1) the approval of the proposed Unlisted Foreign Share Full Circulation having been obtained at the EGM;
- (2) the grant of authorisation by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;
- (3) the approval of the proposed Unlisted Foreign Share Full Circulation by the relevant PRC administrative and regulatory authority, being the CSRC; and
- (4) the Listing Committee of the Stock Exchange granting listing of and permission to deal in all of the H Shares converted from the Unlisted Foreign Share Full Circulation.

The above conditions may not be waived by the Company and had not yet been satisfied as at the date of this announcement.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the H Shares converted from the Unlisted Foreign Share Full Circulation on the Stock Exchange, subject to Shareholders' approval at the EGM and the Class Meetings (other than the class meeting of the holders of the Unlisted Foreign Shares).

Reasons for and Benefits of the H Share Full Circulation

At the end of 2019, the CSRC issued the “Guidelines on the Application for Full Circulation of Domestic Unlisted Shares of H Share companies” (《H股公司境內未上市股份申請“全流通”業務指引》), and launched the reform of full circulation of H shares. Full circulation is conducive to obtaining market-based valuation of domestic unlisted shares, expanding the circulation of the companies' listed shares in Hong Kong, and attracting more international investors to invest in H-share companies, which is beneficial to the Company's long term development and shareholders' interests.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

As of the 31 December 2019, the Company has been utilising the proceeds in accordance with the plan as set out in the Prospectus, details are as follows:

The Company did not conduct any equity fund raising activities in the past 12 months. However, the Company's Shares were listed on the Stock Exchange on 3 April 2019 and raised a net proceeds of approximately HK\$1,552.3 million (approximately RMB1,368.96 million) under the Global Offering (inclusive of partial exercise of the over-allotment option).

As of the 31 December 2019, the Company has been utilising the proceeds in accordance with the plan as set out in the Prospectus, details are as follows:

Use of Proceeds as stated in the Prospectus	Net proceeds from the Global Offering (RMB million)	Utilisation as of 31 December 2019 (RMB million)	Unutilised amount (RMB million)
— Fund the self-operated retail loans to be disbursed to external customers	889.83	889.83	—
— Develop the network of the external dealers	68.45	24.03	44.42
— Fund self-operated retail loans to be disbursed to ZhengTong customers	205.34	205.34	—
— Develop our technological, operational and risk management capabilities	68.45	12.72	55.73
— General working capital	<u>136.90</u>	<u>136.90</u>	<u>—</u>
Total	<u>1368.96</u>	<u>1268.81</u>	<u>100.15</u>

POSSIBLE EFFECTS OF THE NEW H SHARES ISSUE AND THE H SHARE FULL CIRCULATION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholder	As at the date of this announcement		Immediately upon completion of the New H Shares Issue without taking into account of the H Share Full Circulation		Immediately upon completion of the H Share Full Circulation without taking into account of the New H Shares Issue		Immediately upon completion of the New H Shares Issue and the H Share Full Circulation	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares								
Dongfeng ⁽¹⁾	80,000,000	3.74%	80,000,000	3.12%	0	0.00%	0	0.00%
Sub-total of Domestic Shares	80,000,000	3.74%	80,000,000	3.12%	0	0.00%	0	0.00%
Unlisted Foreign Shares								
ZhengTong ⁽²⁾	1,520,000,000	71.04%	1,520,000,000	59.20%	0	0.00%	0	0.00%
Sub-total of Unlisted Foreign Shares	1,520,000,000	71.04%	1,520,000,000	59.20%	0	0.00%	0	0.00%
H Shares								
Other Public shareholders	539,651,400	25.22%	539,651,400	21.02%	539,651,400	25.22%	539,651,400	21.02%
New H Shares ⁽³⁾	0	0.00%	427,930,280	16.67%	0	0.00%	427,930,280	16.67%
Converted H Shares:								
Dongfeng	0	0.00%	0	0.00%	80,000,000	3.74%	80,000,000	3.12%
ZhengTong	0	0.00%	0	0.00%	1,520,000,000	71.04%	1,520,000,000	59.20%
Sub-total of H Shares	<u>539,651,400</u>	<u>25.22%</u>	<u>967,581,680</u>	<u>37.68%</u>	<u>2,139,651,400</u>	<u>100.00%</u>	<u>2,567,581,680</u>	<u>100.00%</u>
Total	<u>2,139,651,400</u>	<u>100.00%</u>	<u>2,567,581,680</u>	<u>100.00%</u>	<u>2,139,651,400</u>	<u>100.00%</u>	<u>2,567,581,680</u>	<u>100.00%</u>

Notes:

1. These 80,000,000 Shares were registered in the name of and beneficially owned by Dongfeng. Dongfeng's shareholding have remained unchanged since the Global Offering, and accordingly the Shares held by it would be counted towards the public float.
2. These 1,520,000,000 Shares were registered in the name of and beneficially owned by ZhengTong, which is owned by Joy Capital Holdings Limited as to 56.42% and Joy Capital Holdings Limited is deemed under the SFO to be interested in the Shares held by ZhengTong. Mr. Wang Muqing and Mr. Wang Weize were the founders of the family trusts that own all the issued shares of Joy Capital Holdings Limited, which were deemed under the SFO to be interested in the Shares held by Joy Capital Holdings Limited. Credit Suisse Trust Limited in Guernsey is the trustee of these family trusts. The Wang family members are discretionary beneficiaries of these trusts. As ZhengTong holds more than 10% of the Company Shares, it is a core connected person of the Company.
3. As the New H Shares are expected to be issued to investors who are independent of and not connected with any directors, supervisors, chief executive officer or substantial shareholders (as defined under the Listing Rules) of the Company and its subsidiaries or any of their respective associates (as defined under the Listing Rules), the Company expects that the New H Shares would be considered as Shares held by the public immediately upon their issuance, except for investor(s) who will subscribe for more than 10% of the total issued Shares of the Company. The Company undertakes that the New H Shares Issue will strictly abide by the public float requirements as prescribed under the Listing Rules.

Based on the above, the Company will comply with the minimum public float requirement of 25.0% under Rule 8.08(1)(a) of the Listing Rules immediately upon completion of the issue of New H Shares and the H Share Full Circulation respectively.

(IV) PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The existing registered capital of the Company is set out in the Articles of Association. Upon completion of the New H Shares Issue and the H Share Full Circulation, the number of H Shares in issue, the registered capital and the capital structure of the Company will change and therefore consequential amendments to the Articles of Association are necessary.

The capital structure of the Company will be altered upon completion of the New H Shares Issue and H Share Full Circulation. Accordingly, the Directors will seek from the Shareholders at the EGM and Class Meetings the approval and authority to amend the relevant provisions in the Articles of Association to reflect the new capital structure of the Company as a result of the issuance of New H Shares pursuant to the New H Shares Issue and the H Share Full Circulation.

It is also proposed at the EGM and the Class Meetings that the Board and the person(s) delegated by it be authorised to make appropriate amendments to the Articles of Association whenever necessary in the process of submitting the same for approval, as required from time to time by the relevant regulatory authorities, administration of industrial and commercial registration as well as the Stock Exchange.

GENERAL

The EGM will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the Domestic Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Domestic Share Full Circulation; (iii) the Unlisted Foreign Share Full Circulation and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the Unlisted Foreign Share Full Circulation; and (iv) the proposed consequential amendments to the Articles of Association. The New H Shares Issue and H Share Full Circulation are also subject to other conditions as set out in this announcement.

No Shareholders are required to abstain from voting at the EGM, except that holders of Domestic Shares are required to abstain from voting in relation to the resolutions concerning Domestic Share Full Circulation and that the holders of Unlisted Foreign Shares are required to be abstain from voting in relation to the resolutions concerning Unlisted Foreign Share Full Circulation.

The H Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation; (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the H Share Class Meeting.

The Domestic Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the Domestic Share Class Meeting.

The Unlisted Foreign Share Class Meeting will be convened and held to consider and, if thought fit, to approve, (i) the grant of the Specific Mandate to proceed with the New H Shares Issue and the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the New H Share Issue; (ii) the full authorisation granted to the Board and the person delegated by the Board to deal with and complete the matters incidental to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association. No Shareholders are required to abstain from voting at the Unlisted Foreign Share Class Meeting.

A circular containing, among other things, details of the New H Shares Issue and the H Share Full Circulation will be despatched to the Shareholders as soon as practicable in accordance with the Articles of Association, the Listing Rules and the applicable requirements under PRC laws and regulations.

In view that the New H Shares Issue and the H Share Full Circulation are subject to certain conditions and accordingly may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Class Meetings”	the H Share Class Meeting, the Unlisted Foreign Share Class Meeting and the Domestic Share Class Meeting
“Company”	Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the main board of the Stock Exchange (stock code: 2718)
“Converted H Shares”	Shares converted upon the completion of the H Share Full Circulation
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

“Domestic Share(s)”	the issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Share Class Meeting” or “2020 First Domestic Share Class Meeting”	the 2020 first class meeting of the holders of Domestic Shares to be convened on Wednesday, 10 June 2020 to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association
“Domestic Share Full Circulation”	full conversion of all Domestic Shares into H Shares and the subsequent listing of the H Shares converted from the Domestic Shares
“Dongfeng”	Dongfeng Motor Corporation* (東風汽車集團有限公司), a wholly state-owned enterprise incorporated on 25 June, 1991 under the laws of the PRC which directly holds 100% of the Domestic Shares prior to the H Share Full Circulation
“EGM” or “2020 First EGM”	the 2020 first extraordinary general meeting (or any adjournment thereof) of the Company to be convened at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, PRC on Wednesday, 10 June 2020 for the purpose of considering and, if thought fit, approving the grant of the Specific Mandate to proceed with (i) the New H Shares Issue; (ii) the Domestic Share Full Circulation, (iii) the Unlisted Foreign Share Full Circulation and (iv) the proposed consequential amendments to the Articles of Association
“Global Offering”	has the meaning ascribed to it in the Prospectus
“H Share(s)”	overseas listed foreign Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“H Share Class Meeting” or “2020 First H Share Class Meeting”	the 2020 first class meeting of the holders of H Shares to be convened on Wednesday, 10 June 2020 to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association

“H Share Full Circulation”	Domestic Share Full Circulation and Unlisted Foreign Share Full Circulation
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New H Shares”	not more than 427,930,280 new H Shares proposed to be issued upon the exercise of the Specific Mandate
“New H Shares Issue”	the proposed issue of the New H Shares
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Regions of the PRC and Taiwan
“Prospectus”	the offering document of the Company dated 14 March 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or Unlisted Foreign Shares(s) and/or H Share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Specific Mandate”	the specific mandate proposed to be granted to the Board by the Shareholders at the EGM and the Class Meetings in relation to the New H Shares Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Theoretical Dilution Effect”	has the meaning ascribed to it under Rule 7.27B of the Listing Rules
“Unlisted Foreign Share Class Meeting” or “2020 First Unlisted Foreign Share Class Meeting”	the 2020 first class meeting of the holders of Unlisted Foreign Shares to be convened on Wednesday, 10 June 2020 to consider, and if thought fit, to approve (i) the grant of the Specific Mandate to proceed with the New H Shares Issue; (ii) the granting of authority to a person delegated by the Board in relation to the H Share Full Circulation; and (iii) the proposed consequential amendments to the Articles of Association

“Unlisted Foreign Share Full Circulation”	full conversion of all Unlisted Foreign Shares into H Shares and the subsequent listing of the H Shares converted from the Unlisted Foreign Shares
“Unlisted Foreign Shares”	overseas unlisted foreign Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB1.00
“ZhengTong”	China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a controlling shareholder of the Company and a company incorporated on 9 July, 2010 as an exempted company with limited liability under the laws of the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange (stock code: 1728)

Yours faithfully,
By Order of the Board
Shanghai Dongzheng Automotive Finance Co., Ltd.
Lin Fan
Chairman and Executive Director

Shanghai, the PRC, 17 April 2020

As at the date of this announcement, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.

* *For identification purposes only*