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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)

INSIDE INFORMATION UPDATE ON DISPOSAL OF ZHENG TONG SHARES BY THE CONTROLLING SHAREHOLDER OF CHINA ZHENG TONG

This announcement is made by Shanghai Dongzheng Automotive Finance Co., Ltd.* (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the announcement of the Company dated 20 October 2020 (the “**Announcement**”) in relation to the disposal of ZhengTong Shares by the controlling shareholder of China ZhengTong. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, Joy Capital, the controlling shareholder of China ZhengTong (as defined under the Listing Rules), which holds 1,383,516,820 ZhengTong Shares, and Mr. Wang Muqing entered into the SPA with the Purchaser on 19 October 2020, pursuant to which Joy Capital conditionally agreed to sell, and the Purchaser conditionally agreed to purchase 806,535,284 ZhengTong Shares.

The Company was informed by China ZhengTong that upon negotiations between the parties, the Purchaser had withdrawn from the Transaction and on 30 July 2021, Joy Capital entered into a supplemental sale and purchase agreement (the “**Supplemental Agreement**”) with the original parties and 廈門國貿控股集團有限公司 (Xiamen ITG Holding Group Co., Ltd.) (the “**New Purchaser**”) to amend certain major terms of the SPA.

The parties to the Supplemental Agreement agreed (among other things) that (i) the New Purchaser shall enjoy all such rights and assume all such obligations of the Purchaser under the SPA; (ii) the number of ZhengTong Shares to be transferred under the SPA has been adjusted to 820,618,184 (representing 29.9% of the entire issued share capital of China ZhengTong as at the date of the Supplemental Agreement), at a total consideration of HK\$1,427,875,640.16 representing HK\$1.74 per ZhengTong Share which remains unchanged (subject to adjustment in accordance with the terms of the SPA); and (iii) subject to the relevant candidates satisfying the relevant requirements regarding directors of listed companies under the Listing Rules, Joy Capital shall procure that three candidates nominated by the New Purchaser shall be appointed as directors of China ZhengTong (each a “**ZhengTong Director**”), with the appointment of two of which to be effective on the date of completion of the Transaction and the remaining one to be effective on 9 October 2021. Joy Capital shall procure the resignation of two existing executive ZhengTong Directors which shall take effect on the date of completion of the Transaction and of one existing executive ZhengTong Director which shall take effect on 9 October 2021. Joy Capital has agreed to support the ZhengTong Director(s) so nominated by the New Purchaser to be the chairman of the board of ZhengTong Directors (the “**ZhengTong Board**”), the chief executive officer of China ZhengTong and the chairman of the nomination committee of the ZhengTong Board. The Supplemental Agreement also stipulates consequential changes to conditions precedent to the Transaction and the Transaction is now subject to, among other things, approval by the shareholder of the New Purchaser.

The New Purchaser is a Fortune Global 500 Company with operations in commodity trading, circulation automobile trading, logistics business, commodity retail business and others.

The completion of the Transaction is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out in the SPA (as amended by the Supplemental Agreement), and the Transaction may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Shanghai Dongzheng Automotive Finance Co., Ltd.*
Lin Fan
Chairman

Shanghai, 1 August 2021

As at the date of this announcement, the board of directors of the Company 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 and Ms. Liang Yanjun as independent non-executive directors.

* For identification purposes only