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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) RULING ON ADMINISTRATIVE PROCEEDING OF SHANGHAI  
FINANCIAL COURT, PRC;**

**(2) MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7  
OF THE TAKEOVERS CODE IN RELATION TO THE TERMINATION  
OF DISCUSSIONS ON THE POTENTIAL DISPOSAL;  
AND**

**(3) RESUMPTION OF TRADING IN H SHARES**

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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the Company’s announcement dated 7 December 2020 in relation to, among others, the Administrative Decision (Hu Yin Bao Jian Tong [2020] No. 41) (the “**Administrative Decision**”) issued by the CBIRC Shanghai Office, the Company’s announcement dated 3 February 2021 and the Company’s monthly update announcements dated 3 March 2021, 1 April 2021, 3 May 2021, 3 June 2021, 5 July 2021, 5 August 2021, 6 September 2021, 6 October 2021, 9 November 2021, 9 December 2021 and 10 January 2022 (collectively, the “**Announcements**”), in relation to, among others, discussions between China ZhengTong and the Potential Purchaser in relation to the Potential Disposal. Unless otherwise specified, capitalised terms used in this announcement have the same meanings as those used in the Announcements.

## **RULING ON ADMINISTRATIVE PROCEEDING OF SHANGHAI FINANCIAL COURT, PRC**

On 29 January 2022, the Company was informed by China ZhengTong, the Controlling Shareholder, that on 29 January 2022, China ZhengTong received a ruling on administrative proceeding and a notice of property preservation (collectively, the “**Relevant Rulings**”) issued by Shanghai Financial Court of the PRC. Pursuant to the Relevant Rulings, an application was made by the CBIRC Shanghai Office to the Shanghai Financial Court for the enforcement of the Administrative Decision that China ZhengTong’s equity interests in the Company under the custody of China Securities Depository and Clearing Corporation Limited in the amount of 1.52 billion shares be liquidated (i.e. China ZhengTong shall no longer hold any equity interests in the Company) by way of auction in accordance with the applicable PRC laws and regulations. According to the Relevant Rulings, a collegial panel constituted by the Shanghai Financial Court has completed its examination and ruled that: (i) the Administrative Decision be enforced, whereby China ZhengTong’s equity interests in the Company be liquidated through auction; and (ii) a preservation ruling (the “**Freezing Ruling**”) be imposed over China ZhengTong’s equity interests in the Company, being 1.52 billion unlisted shares in the Company and any dividends held in the Company for a period between 26 January 2022 and 25 January 2025 (the “**Freezing Period**”). According to the Relevant Rulings, any party that disagrees with the Freezing Ruling may apply once to the Shanghai Financial Court for review within five days from the date of receipt of the Freezing Ruling, and the enforcement of the ruling will not be suspended during the review period. The Company has been informed by China ZhengTong that China ZhengTong has not applied for a review to revoke the Freezing Ruling within the prescribed timeframe (i.e. on or before 3 February 2022).

In addition, the Company received a notice of assistance in enforcement [(2022) Hu 74 Cai Bao No. 1] issued by Shanghai Financial Court of the PRC on 30 January 2022 (the “**Notice of Assistance in Enforcement**”), which stated that the Company is required to assist in enforcing the following matters: (a) before the Company implements any capital increase, capital reduction, merger, demerger, etc. that will have a significant impact on the proportion of the shares held by China ZhengTong in the Company that are the subject of the Freezing Ruling and the value thereof, the Company shall report the relevant information to Shanghai Financial Court of the PRC; and (b) preservation of any dividends, bonuses and other proceeds which may be payable by the Company to China ZhengTong, and the Company shall notify Shanghai Financial Court of the PRC when such proceeds are due. The preservation period shall be three years from the receipt of the Notice of Assistance in Enforcement. Any direct payment or payment in other forms made by the Company to China ZhengTong after the imposition of the Freezing Ruling shall not affect Shanghai Financial Court’s claim against the Company for such payment. The Company will comply with the Notice of Assistance in Enforcement in accordance with applicable laws and regulations, including preservation of any

dividends, bonuses and other proceeds to China ZhengTong. The Company will seek PRC legal advice and consult Shanghai Financial Court of the PRC on the applicability and interpretation of the Notice of Assistance in Enforcement as and when required.

The Company has complied with and will continue to comply with the Administrative Decision throughout the Freezing Period, whereby the Company will restrict the relevant shareholder's rights of China ZhengTong, including the right to request for a general meeting, the voting rights, the nomination rights, the proposal rights, the disposal rights, and rights to dividend. Please refer to the announcement dated 7 December 2020 of the Company for further details.

The auction will be conducted in accordance with the relevant rules and procedures in the PRC. As at the date of this announcement, the Company has not been informed of the details of the auction, including the timing of the auction. The Company will make further announcement(s) in relation to the auction when it receives further information from the Shanghai Financial Court, the CBIRC Shanghai Office, and/or China ZhengTong.

#### **TERMINATION OF THE DISCUSSIONS ON THE POTENTIAL DISPOSAL**

The Board was informed by China ZhengTong that in view of the ruling of the Shanghai Financial Court to carry out compulsorily auction of the equity interests in the Company held by China ZhengTong, the discussion between China ZhengTong and the Potential Purchaser in relation to the Potential Disposal has been terminated. As at the date of this announcement, China ZhengTong has not entered into any formal or legally binding agreement with the Potential Purchaser in relation to the Potential Disposal.

#### **CONTINUATION OF OFFER PERIOD**

If a party is successful in the auction and acquires 30% or more of the voting rights of the Company, it may trigger a mandatory general offer pursuant to the Takeovers Code. For the purposes of the Takeovers Code, the offer period will continue to run and the Company will make further announcement(s) as and when appropriate.

#### **THE IMPACT OF THE RELEVANT RULINGS ON THE COMPANY**

The Board considers that the impact of the Relevant Rulings on the operations and financial position of the Company is as follows:

1. Pursuant to the contents of the Relevant Rulings, the Shanghai Financial Court allowed the enforcement of the Relevant Rulings, and the equity interests in the Company held by China ZhengTong shall be liquidated by way of auction. The Company considers that the above rulings only affect the rights of China ZhengTong as a shareholder and will not impose any impact on the Company;

2. In terms of management, as at the date of this announcement, none of the management team of the Company, including members of the Board and senior management, holds any position in China ZhengTong and its subsidiaries (other than the Company) and the relevant matter will not affect the performance of the duties of the Directors and senior management of the Company;
3. In respect of the scope of business, the Relevant Rulings do not impose any restrictions on the Company's existing business. The Company can continue to conduct business in accordance with the relevant financial licenses and business licenses currently held by it (including the business of providing loans for automobile purchase registered under the Company's business license) other than the provision of dealer auto loan business. From the date of receipt of the Administrative Decision, the Company has suspended the operation of the dealer auto loan business; and
4. The Company has loan business with dealers of China ZhengTong. The Relevant Rulings do not affect the Company's rights and interests under the loan agreements entered into with the dealers of China ZhengTong. The Board will assess the relevant loans and their impact on the Company from time to time based on latest development.

The Company will continue to assess and follow up on any material developments in the above matters and will make further announcements in accordance with the applicable Listing Rules and regulations in due course.

Save as disclosed in this announcement, the Board is not aware of any information that is required to be disclosed under the Listing Rules and Part XIVA of the Securities and Futures Ordinance.

## RESUMPTION OF TRADING IN H SHARES

At the request of the Company, trading in H shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 31 January 2022 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in H shares of the Company with effect from 9:00 a.m. on 9 February 2022.

**Shareholders and other potential investors are advised to exercise caution when dealing in the securities of the Company and to consult their professional advisers if they are in any doubt as to their position.**

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

Shanghai, 8 February 2022

*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 and Ms. Liang Yanjun as independent non-executive directors.*

*The directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *for identification purposes only*