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SAIC Motor Corporation Limited*
上海汽車集團股份有限公司
(Incorporated in the People's Republic of China with limited liability)
(Stock code: 600104.SH)


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)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF APPROXIMATELY 71.04% SHAREHOLDING
IN SHANGHAI DONGZHENG AUTOMOTIVE FINANCE CO., LTD. BY
SAIC MOTOR**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED FOR AND ON BEHALF OF SAIC MOTOR FOR
ALL THE H SHARES IN SHANGHAI DONGZHENG AUTOMOTIVE
FINANCE CO., LTD.**

**(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS BY
SAIC MOTOR FOR ALL THE DOMESTIC SHARES
IN SHANGHAI DONGZHENG AUTOMOTIVE FINANCE CO., LTD.**

AND

(4) RESUMPTION OF TRADING IN H SHARES

Financial adviser to the Offeror



ACQUISITION OF APPROXIMATELY 71.04% SHAREHOLDING IN DONGZHENG BY THE OFFEROR BY WAY OF AUCTION

Pursuant to the Administrative Decision (Hu Yin Bao Jian Tong [2020] No. 41) issued by the CBIRC Shanghai Office and the Administrative Ruling ([2022] Hu 74 Xing Shen No. 1) issued by Shanghai Financial Court of the PRC, the Sale Shares held by ZhengTong under the custody of CSDC (i.e. the Sale Shares) were to be liquidated by way of auction in accordance with the applicable PRC laws and regulations. The Auction took place between 10 a.m. on 18 May 2022 to 10 a.m. on 19 May 2022 through an online platform (www.jd.com). On 19 May 2022, the Offeror won the auction at the bid price of RMB1,606,812,970 (equivalent to HK\$1,899,101,391) for the Sale Shares, which represents a consideration of RMB1.0572 per Sale Share (equivalent to HK\$1.2430 per Sale Share). The Online Bidding Confirmation (網絡競價成交確認書) was released on 19 May 2022 through the online platform (www.jd.com).

Completion for the transfer of the Sale Shares is subject to the completion of all of the Completion Procedures.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The management of the Offeror believes that the Acquisition would create synergy for the Offeror Group and Dongzheng. Upon Completion, as one of the leading auto groups in the PRC, the Offeror Group will be able to provide an extensive customer base for Dongzheng to facilitate the development of its auto finance business after Completion. As one of the 25 authorized auto finance companies in the PRC, Dongzheng will further facilitate the development of the Offeror Group's auto finance business and create better value for its shareholders

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it (other than the Specified Concert Parties) do not hold, control or have direction over any Shares in the share capital or voting rights of Dongzheng.

Assuming no changes to the issued share capital of Dongzheng from the date of this joint announcement to the Completion Date, immediately after Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,520,000,000 Unlisted Shares (being the Sale Shares), representing approximately 71.04% of the issued share capital of Dongzheng as at the date of the joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will be required to make mandatory unconditional general offers in cash for all the issued Domestic Shares and H Shares not already owned or agreed to be acquired by the Offeror and its concert parties in accordance with the Takeovers Code.

Subject to and upon Completion, (i) the Offeror will make the Domestic Share Offer; and (ii) CICC, on behalf of the Offeror or its Nominee, will make the H Share Offer in accordance with the Takeovers Code on the following basis:

For each H Share HK\$1.2430 in cash

For each Domestic Share. RMB1.0572 in cash

The H Share Offer Price of HK\$1.2430 per Offer Share under the H Share Offer is equal to the price of RMB1.0572 per Sale Share, based on the exchange rate of RMB0.85057 to HK\$1, being the median exchange rate on 26 May 2022, being the date of this joint announcement, as announced by the People's Bank of China on the China Foreign Exchange Trading System of the PRC. The principal terms of the Offers are set out in the section headed "Possible mandatory unconditional cash offers" of this joint announcement.

The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

Based on the issued share capital of Dongzheng as at the date of this joint announcement, there will be 539,651,400 H Shares and 80,000,000 Domestic Shares subject to the H Share Offer and the Domestic Share Offer, respectively.

The H Share Offer is valued at HK\$670,786,691 based on the H Share Offer Price of HK\$1.2430 per H Share; and the Domestic Share Offer is valued at RMB84,576,000 based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share. SAIC Motor will pay the total cash consideration of the Offers and all costs and expenses payable in relation to the Transactions incurred, while the total cash consideration of the H Share Offer and other costs and expenses payable in relation to the Transactions incurred or to be incurred outside the PRC may be paid by SAIC HK if required.

CONFIRMATION OF FINANCIAL RESOURCES

The aggregate of the cash amount payable as Consideration for the Sale Shares pursuant to the Auction is RMB1,606,812,970 (comprising (i) the Security Deposit of RMB160,000,000 which has already been paid to the Shanghai Financial Court; and (ii) the Remaining Balance of RMB1,446,812,970).

The maximum cash amount to be paid to the H Shareholders in respect of acceptances under the H Share Offer is approximately HK\$670,786,691, based on the H Share Offer Price of HK\$1.2430 per H Share and 539,651,400 H Shares.

The maximum cash amount to be paid to the Domestic Shareholder in respect of acceptance under the Domestic Share Offer is approximately RMB84,576,000, based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share and 80,000,000 Domestic Shares.

The total cash consideration payable for (i) the Sale Shares pursuant to the Auction (excluding the Security Deposit which has already been paid to the Shanghai Financial Court) and (ii) the Offers is approximately HK\$2,471,213,428, which will be funded by internal resources of the Offeror Group.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to (i) pay the Remaining Balance so as to complete the Acquisition; and (ii) satisfy the amount of funds required for the full acceptances of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Dongzheng has established the Independent Board Committee comprising the non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Li Guozhou as non-executive Director and Mr. Wong Man Chung Francis and Ms. Liang Yanjun as independent non-executive Directors, to advise the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers.

An independent financial adviser will be appointed by Dongzheng (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. A further announcement will be made by Dongzheng as soon as possible after the appointment of the independent financial adviser.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offers are made, it is the intention of the Offeror and Dongzheng that the Composite Document comprising the offer document from the Offeror and the response document from the Board be jointly despatched by the Offeror and Dongzheng to the Shareholders in accordance with the requirements of the Takeovers Code. The Composite Document will contain, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offers; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers; and (iv) the Forms of Acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. However, as the making of the Offers is subject to Completion of the Acquisition, which in turn is subject to satisfaction of the Completion Procedures which are not expected to be satisfied within 21 days of the date of this joint announcement, the Offeror will make an application to the Executive under Rule 8.2 of the Takeovers Code for the Executive's consent to extend the deadline for despatch of the Composite document to within 7 days after Completion. Further announcement(s) will be made by the Offeror and Dongzheng on the timing of despatch of the Composite Document.

OFFEROR'S INTENTION ON DONGZHENG AND PROPOSALS REGARDING THE LISTING STATUS OF DONGZHENG

The Offeror intends that Dongzheng will continue with its principal automotive loan business and maintain the employment of the operational employees of Dongzheng (except for the proposed changes to the members of the Board as detailed in the sub-paragraph headed "Proposed change to the Board composition of Dongzheng" below and senior management and staff movements in the ordinary and usual course of business or due to reasons including but not limited to personal performance or conduct issues).

LISTING STATUS OF DONGZHENG

The Offeror intends to maintain the listing status of Dongzheng. If less than 25% of the issued Shares (being the minimum public float applicable to Dongzheng) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in the public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained. In this case, subject to the compliance with the relevant requirements of the CBIRC and other applicable PRC authorities, the Offeror will take such steps as are necessary to ensure, or procure Dongzheng to take such steps as are necessary to ensure, that Dongzheng will have an adequate public float so as to comply with the applicable requirements under the Listing Rules. The directors of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure sufficient public float exists in the Shares. Any restoration of public float may involve the issue of new Shares by Dongzheng.

RESUMPTION OF TRADING IN H SHARES

At the request of Dongzheng, trading in H Shares on the Stock Exchange has been halted with effect from 9:19 a.m. on 19 May 2022 pending the release of this joint announcement. Application has been made by Dongzheng to the Stock Exchange for resumption of trading in H Shares with effect from 9:00 a.m. on 27 May 2022.

The making of the Offers is subject to Completion of the Acquisition which in turn is subject to the completion of the Completion Procedures. The Offers therefore may or may not be made. The Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of Dongzheng, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of Dongzheng of the possibility that the Offers may be made.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers, before deciding whether or not to accept the Offers.

Notice to U.S. Holders of H Shares

The H Share Offer is subject to Hong Kong disclosure and procedural requirements, including with respect to offer timetable, settlement procedures, timing of payments and withdrawal rights, which are different from those applicable to tender offers carried out in the United States. The H Share Offer may be extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. The receipt of cash pursuant to the Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each U.S. holder of H Shares are urged, before accepting the H Share Offer, to consult their own professional advisers regarding the tax consequences of acceptance of the H Share Offer, whether in relation to United States federal income tax or taxes under applicable state and local tax laws, or foreign tax laws.

Dongzheng is established under the laws of the PRC. It may be difficult for U.S. holders of H Shares to enforce their rights and claims arising out of United States federal securities laws, since Dongzheng is located in a country other than the United States, some or all of its officers and directors may be residents of a country other than the United States and the assets of Dongzheng may be located outside the United States. U.S. holders of H Shares may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. It may be difficult for such H Shareholders to effect service of process within the United States upon Dongzheng or its officers or directors or to enforce against them any judgment of a United States court predicated upon the federal or state securities laws of the United States. In particular, H Shareholders in the United States should note that the Offeror reserves the right itself or through affiliates or nominees or its brokers acting as agents from time to time making purchases of, or arrangements to purchase, H Shares outside of the United States before or during the offer period of the H Share Offer other than pursuant to the H Share Offer to the extent permitted by and in accordance with the requirements of the

Takeovers Code. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the H Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States and (ii) if applicable, the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk> and the Stock Exchange at www.hkexnews.hk.

A. ACQUISITION OF APPROXIMATELY 71.04% SHAREHOLDING IN DONGZHENG BY THE OFFEROR BY WAY OF AUCTION

Reference is made to the announcements of Dongzheng dated 3 February 2021, 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, 10 January 2022, 8 February 2022, 8 March 2022, 8 April 2022, 21 April 2022 and 10 May 2022 pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, in relation to, among others, the enforcement of the Administrative Decision issued by the CBIRC Shanghai Office that the Sale Shares held by ZhengTong under the custody of CSDC (i.e. the Sale Shares) were to be liquidated by way of auction in accordance with the applicable PRC laws and regulations.

AUCTION

As set out in the announcement of Dongzheng dated 21 April 2022, the Auction took place between 10 a.m. on 18 May 2022 to 10 a.m. on 19 May 2022 through an online platform (www.jd.com).

On 19 May 2022, the Offeror won the auction at the bid price of RMB1,606,812,970 (equivalent to HK\$1,899,101,391) for the Sale Shares, which represents a consideration of RMB1.0572 per Sale Share (equivalent to HK\$1.2430 per Sale Share). The Online Bidding Confirmation (網絡競價成交確認書) was released on 19 May 2022 through the online platform (www.jd.com).

Sale Shares

The Sale Shares, being 1,520,000,000 Unlisted Foreign Shares, represent approximately 71.04% of the existing issued share capital of Dongzheng as at the date of this joint announcement.

Under the Auction, the Shanghai Financial Court did not provide any warranties in relation to the title of the Sale Shares and the winning bidder will acquire the Sale Shares on an “as is” basis.

Subject to the above, the Offeror expects that the Sale Shares shall be acquired with all rights and benefits which will be on the Completion Date attaching or may at any time thereafter become attached thereto, including the right to all dividends, distributions and any return of capital declared, made or paid, or agreed to be made or paid thereon or in respect thereof on or after the Completion Date.

As at the date of this joint announcement, Dongzheng does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distribution until the close of the Offers.

Consideration for the Sale Shares

The Consideration in the sum of RMB1,606,812,970 (equivalent to HK\$1,899,101,391) for the Sale Shares represents a consideration of RMB1.0572 per Sale Share (equivalent to HK\$1.2430 per Sale Share). The Security Deposit of RMB160,000,000 has been paid on 13 May 2022 by the Offeror to the Shanghai Financial Court prior to its enrolment for the Auction on 17 May 2022 and the Remaining Balance of RMB1,446,812,970 shall be paid to the Shanghai Financial Court on or before 29 May 2022. The Consideration represents the highest bidding amount of the Auction.

Upon the payment of the Remaining Balance to the Shanghai Financial Court, the Shanghai Financial Court will proceed with the Completion Procedures.

Completion

Completion is subject to the satisfaction of each of the following Completion Procedures in respect of the Transactions:

- (i) the approval from the CBIRC for change of the Shareholder of the Sale Shares, the filing of the Transactions with the Shanghai SASAC, the registration of the Transactions with the SAFE, and the filing of the Transactions with the NDRC, each of the foregoing as applicable;
- (ii) the tax filing, withholding, deduction and clearance procedures with the STA, as applicable;
- (iii) the issuance and delivery of the Ruling on the Conclusion of the Auction (拍賣成交裁定書) to the Offeror by the Shanghai Financial Court;
- (iv) the registration with the CSDC reflecting the Offeror as the holder of the Sale Shares; and
- (v) such other applicable governmental approvals.

As at the date of this joint announcement and based on information available to the Offeror, save for the governmental filing, registration and approvals as mentioned in paragraphs (i), (ii), (iii) and (iv) above, the Offeror is not aware of any other applicable governmental approvals which may be required in respect of the Transactions and the Offeror is also not aware of any barrier that may prevent it from obtaining the approvals mentioned in paragraphs (i) to (iv) above. The Offeror reserves the right to waive the Completion Procedures either in whole or in part, either generally or in respect of any particular matter to the extent that such waiver would not make the Transactions or their implementation in accordance with their respective terms illegal.

Completion will take place on the Completion Date, being the date of the completion of all of the applicable and required Completion Procedures. The filing with the Shanghai SASAC as set out in paragraph (i) above has been completed as at the date of this joint announcement. It is expected that the Completion will take place within approximately six months from the date of this joint announcement subject to the approval progress of the PRC authorities and the pandemic situation. Further announcement will be published as soon as practicable after Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The management of the Offeror believes that the Acquisition would create synergy for the Offeror Group and Dongzheng. Upon Completion, as one of the leading auto groups in the PRC, the Offeror Group will be able to provide an extensive customer base for Dongzheng to facilitate the development of its auto finance business after Completion. As one of the 25 authorized auto finance companies in the PRC, Dongzheng will further facilitate the development of the Offeror Group's auto finance business and create better value for its shareholders .

B. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it (other than the Specified Concert Parties), do not hold, control or have direction over any Shares in the share capital or voting rights of Dongzheng.

Assuming no changes to the issued share capital of Dongzheng from the date of this joint announcement to the Completion Date, immediately after Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,520,000,000 Unlisted Shares (being the Sale Shares), representing approximately 71.04% of the issued share capital of Dongzheng as at the date of the joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will be required to make mandatory unconditional general offers in cash for all the issued Domestic Shares and H Shares not already owned or agreed to be acquired by the Offeror and its concert parties in accordance with the Takeovers Code.

As at the date of this joint announcement, Dongzheng has 2,139,651,400 Shares in issue (comprising (i) 539,651,400 H Shares; (ii) 80,000,000 Domestic Shares; and (iii) 1,520,000,000 Unlisted Foreign Shares).

Dongzheng has no outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Principal terms of the Offers

Subject to and upon Completion, (i) the Offeror will make the Domestic Share Offer; and (ii) CICC, on behalf of the Offeror or its Nominee, will make the H Share Offer in compliance with the Takeovers Code on the following basis:

For each H ShareHK\$1.2430 in cash

For each Domestic Share. RMB1.0572 in cash

The H Share Offer Price of HK\$1.2430 per Offer Share under the Offers is equal to the price of RMB1.0572 per Sale Share, based on the exchange rate of RMB0.85057 to HK\$1, being the median exchange rate on 26 May 2022, being the date of this joint announcement, as announced by the People's Bank of China on the China Foreign Exchange Trading System of the PRC.

The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

If, after the date of this joint announcement, any dividend, other distribution and/or other return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, other distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. As at the date of this joint announcement, Dongzheng does not have any declared and unpaid dividend and does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of the Offers.

The Offers will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching to them as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return

of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offers are made, being the date of the Composite Document.

The H Share Offer Price and comparison of value

The H Share Offer Price of HK\$1.2430 per H Share or RMB1.0572 per Domestic Share represents:

- (i) a premium of approximately 25.56% over the closing price of HK\$0.99 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 26.84% over the average closing price of approximately HK\$0.98 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 35.11% over the average closing price of approximately HK\$0.92 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 57.34% over the average closing price of approximately HK\$0.79 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 67.97% over the average closing price of approximately HK\$0.74 per H Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a discount of approximately 29.84% to the audited consolidated net asset per Share value of Dongzheng of approximately RMB1.51 (equivalent to approximately HK\$1.78) per H Share as at 31 December 2021, based on a total of 2,139,651,400 Shares in issue as at 31 December 2021 and the date of this joint announcement and the audited consolidated net asset value of Dongzheng of approximately RMB3,224,467,000 as at 31 December 2021.

Highest and lowest share prices of H Shares

The highest and lowest closing prices of the H Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day and including the Last Trading Day were HK\$1.00 per Share (on 17 May 2022) and HK\$0.58 per Share (on 26 January 2022, 27 January 2022, 28 January 2022, 9 February 2022, 10 February 2022, 15 March 2022), respectively.

Value of the Offers

Based on the issued share capital of Dongzheng as at the date of this joint announcement, there will be 539,651,400 H Shares and 80,000,000 Domestic Shares subject to the H Share Offer and the Domestic Share Offer, respectively.

The H Share Offer is valued at HK\$670,786,691 based on the H Share Offer Price of HK\$1.2430 per H Share; and the Domestic Share Offer is valued at RMB84,576,000 based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share. SAIC Motor will pay the total cash consideration of the Offers and all costs and expenses payable in relation to the Transactions incurred, while the total cash consideration of the H Share Offer and other costs and expenses payable in relation to the Transactions incurred or to be incurred outside the PRC may be paid by SAIC HK if required.

Confirmation of financial resources

The aggregate of the cash amount payable as Consideration for the Sale Shares pursuant to the Auction is RMB1,606,812,970 (comprising (i) the Security Deposit of RMB160,000,000 which has already been paid to the Shanghai Financial Court; and (ii) the Remaining Balance of RMB1,446,812,970).

The maximum cash amount to be paid to the H Shareholders in respect of acceptances under the H Share Offer is approximately HK\$670,786,691, based on the H Share Offer Price of HK\$1.2430 per H Share and 539,651,400 H Shares.

The maximum cash amount to be paid to the Domestic Shareholder in respect of acceptance under the Domestic Share Offer is approximately RMB84,576,000, based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share and 80,000,000 Domestic Shares.

The total cash consideration payable for (i) the Sale Shares pursuant to the Auction (excluding the Security Deposit which has already been paid to the Shanghai Financial Court) and (ii) the Offers is approximately HK\$2,471,213,428, which will be funded by internal resources of the Offeror Group.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to (i) pay the Remaining Balance so as to complete the Acquisition; and (ii) satisfy the amount of funds required for the full acceptances of the Offers.

Restrictions on dealings by the Offeror in Shares

According to applicable laws and regulations in the PRC, the Offeror shall not transfer any Shares acquired by it within five years from the date of obtaining such Shares (including the Sale Shares and any Shares acquired by the Offeror pursuant to the Offers), unless otherwise approved by the CBIRC.

Interests and dealings in Dongzheng's securities

As at the date of this joint announcement, the Offeror and parties acting in concert with it (other than the Specified Concert Parties) do not hold, control or have direction over any Shares, convertible securities, warrants or options and do not have, control or have direction over any other interests in the issued Shares or voting rights of Dongzheng.

Save for the Acquisition through the Auction, none of the Offeror and parties acting in concert with it (other than the Specified Concert Parties) has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the period from 3 August 2020 (being six months prior to the date of the first announcement of Dongzheng pursuant to Rule 3.7 of the Takeovers Code and the commencement of the offer period (as defined under the Takeovers Code)) to the date of this joint announcement.

CICC is the financial adviser to the Offeror in connection with the Offers. Accordingly, CICC and the relevant members of the CICC group which hold Shares on their own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to Dongzheng in accordance with class 5 of the definition of "acting in concert" under the Takeovers Code (except in respect of Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code). Members of the CICC group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as CICC are not presumed to be acting in concert with the Offeror.

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Dongzheng held by or entered into by members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of other parts of the CICC group), if any, will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror and Dongzheng if the holdings, borrowings, lendings, or dealings of the members of the CICC group are significant and in any event, such information will be disclosed in the Composite Document. The statements in this joint announcement as to holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Dongzheng by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of relevant members of the CICC group presumed to be acting in concert with the Offeror.

Any dealings in the relevant securities of Dongzheng from 3 August 2020 (being six months prior to the date of the first announcement of Dongzheng pursuant to Rule 3.7 of the Takeovers Code and the commencement of the offer period (as defined under the Takeovers Code)) to the latest practicable date prior to the despatch of the Composite Document by the CICC group (excluding dealings by the CICC group members who are

exempt principal traders or exempt fund managers or dealings in the Shares by CICC group members for the account of non-discretionary investment clients of the CICC group) will be disclosed in the Composite Document and pursuant to Rule 22 of the Takeovers Code.

Effect of accepting the Offers

Provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Offeror (or the branch share registrar and transfer office of Dongzheng in Hong Kong or the PRC), the Shareholders will sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights and benefits attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offers are made, that is, the date of the Composite Document.

If, after the date of this joint announcement, any dividend, other distribution and/or other return of capital (whether in cash or in kind) is announced, declared, made or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, other distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. As at the date of this joint announcement, Dongzheng does not have any declared and unpaid dividend and does not have any intention to announce, declare, make or pay any future dividend, other distribution or return of capital until the close of the Offers.

Acceptances of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the Offer Shares are validly tendered for acceptance of the Offers. Duly completed acceptance forms of the Offers and the relevant documents of title of the Offer Shares in respect of such acceptance must be received by the Offeror (or the branch share registrar and transfer office of Dongzheng in Hong Kong or the PRC) to render such acceptance of the Domestic Share Offer or H Share Offer (as the case may be) complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offers will be rounded up to the nearest cent.

Overseas shareholders

The Offeror intends to make the H Share Offer available to all Shareholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the H Share Offer to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the H Share Offer to persons not resident in Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The overseas shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal or other professional advice. It is the responsibilities of the overseas shareholders who are not resident in Hong Kong and wish to accept the H Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas shareholders in respect of such jurisdictions).

Any acceptance by Shareholders and beneficial owners of the H Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror, Dongzheng and their respective advisers (including CICC) that the local laws and regulatory requirements have been complied with. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

In the event that the receipt of the Composite Document by overseas shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror), and subject to the Executive's consent, the Composite Document will not be despatched to such overseas shareholders. For that purpose, the Offeror may apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such overseas shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to such Shareholders. If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of the Shareholders not resident in Hong Kong in relation to the terms of the Offers. Such arrangements may include notifying any matter in connection with the Offers to the Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given despite any failure by such Shareholders to receive or see that notice.

Hong Kong Stamp Duty

No Hong Kong stamp duty will arise on acceptance of the Domestic Share Offer. The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the H Share Offer will be payable by the relevant Shareholders at a rate of 0.13% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the H Share Offer, whichever is higher, and will be deducted from the amount payable to the relevant Shareholder on acceptance of the H Share Offer (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00). The Offeror will arrange for payment of the sellers' Hong Kong ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's Hong Kong ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, Dongzheng, CICC and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Other arrangements

The Offeror confirms that, as at the date of this joint announcement:

- (i) none of the Offeror and/or parties acting in concert with it (other than the Specified Concert Parties) owns or has control or direction over any voting rights of Dongzheng or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (ii) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or reject the Offers;
- (iii) save for the Acquisition through the Auction, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (iv) save for the Acquisition through the Auction and the Completion Procedures to be satisfied, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;

- (v) apart from the Consideration for the Sale Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to ZhengTong or any party acting in concert with ZhengTong in connection with the sale and purchase of the Sale Shares;
- (vi) other than the arrangements relating to the Acquisition through the Auction, the material terms of which have been disclosed in the section headed Part A of this joint announcement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any party acting in concert with it (other than the Specified Concert Parties) on the one hand, and ZhengTong and any party acting in concert with it on the other hand;
- (vii) apart from certain transactions with the Dongfeng Motor Group in relation to the sale of automobile components and the sale of NEV Credits, which are carried out in the ordinary and usual course of business of the Offeror Group and the Dongfeng Motor Group and on terms that are generally also available to other third party customers, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror, or (b) Dongzheng. As at the date of this joint announcement, the Offeror is not aware of any understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any parties acting in concert with the Offeror (other than the Specified Concert Parties) or (b) any subsidiaries or associated companies of Dongzheng; and
- (viii) none of the Offeror and/or parties acting in concert with it (other than the Specified Concert Parties) has entered into any arrangement or contract in relation to any outstanding derivative in respect of securities in Dongzheng nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Dongzheng; and
- (ix) (a) details of the holdings, dealings, borrowings and lendings in the relevant securities of Dongzheng by the Specified Concert Parties, and (b) any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Specified Concert Parties on the one hand and (1) Dongzheng; or (2) Zhengtong; or (3) any Shareholder on the other hand, if any, will be obtained as soon as possible after the date of this joint announcement, and a further announcement will be made if (x) any such holding, dealing, borrowing or lending, or (y) any such understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) by the Specified Concert Parties is significant. If applicable, information about the holdings, dealings, borrowings and lendings in the relevant securities of Dongzheng by the Specified Concert Parties and/or such relevant understanding, arrangement, agreement or special deal involving them will be disclosed in the Composite Document.

The Offers may or may not be made as they are subject to the Completion of the Acquisition which in turn is subject to the satisfaction of the Completion Procedures. The Shareholders and potential investors are advised to exercise extreme caution when dealing in securities of Dongzheng, and if they are in any doubt about their position, they should consult their professional advisers.

C. SHAREHOLDING STRUCTURE OF DONGZHENG

Set out below is the shareholding structure of Dongzheng in terms of voting rights attached to the issued Shares, as at the date of this joint announcement and immediately after Completion (assuming there will be no other changes to the shareholding structure of Dongzheng from the date of this joint announcement to the Completion Date):

Shareholders	As at the date of this joint announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate % of total issued ordinary Shares</i>	<i>No. of Shares</i>	<i>Approximate % of total issued ordinary Shares</i>
The Offeror and parties acting in concert with it	—	—	1,520,000,000	71.04
ZhengTong (<i>Note</i>)	1,520,000,000	71.04	—	—
Independent Shareholders				
Dongfeng Motor Corporation (東風汽車集團有限公司)	80,000,000	3.74	80,000,000	3.74
Holder of H Shares	539,651,400	25.22	539,651,400	25.22
		100.00		100.00

Note: According to the Administrative Decision issued by the CBIRC Shanghai Office, Dongzheng shall restrict the relevant shareholder's rights of ZhengTong, including the right to request for a general meeting, the voting rights and the rights to dividend.

D. OFFEROR'S INTENTION ON DONGZHENG AND PROPOSALS REGARDING THE LISTING STATUS OF DONGZHENG

Upon Completion, the Offeror will become the controlling shareholder of Dongzheng and it is expected to be interested in approximately 71.04% of the total issued share capital of Dongzheng.

The Offeror intends that Dongzheng will continue with its principal automotive loan business and maintain the employment of the operational employees of Dongzheng (except for the proposed changes to the members of the Board as detailed in the sub-paragraph headed "Proposed change to the Board composition of Dongzheng" below and senior management and staff movements in the ordinary and usual course of business or due to reasons including but not limited to personal performance or conduct issues).

PROPOSED CHANGE TO THE BOARD COMPOSITION OF DONGZHENG

The Offeror intends to nominate new Director(s) after the date of the despatch of the Composite Document, whose official appointment is subject to the approval from the CBIRC in respect of the qualification of the new Director(s). As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Director(s). Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

LISTING STATUS OF DONGZHENG

The Offeror intends to maintain the listing status of Dongzheng. If less than 25% of the issued Shares (being the minimum public float applicable to Dongzheng) are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in the public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is attained. In this case, subject to the compliance with the relevant requirements of the CBIRC and other applicable PRC authorities, the Offeror will take such steps as are necessary to ensure, or procure Dongzheng to take such steps as are necessary to ensure, that Dongzheng will have an adequate public float so as to comply with the applicable requirements under the Listing Rules. The directors of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure sufficient public float exists in the Shares. Any restoration of public float may involve the issue of new Shares by Dongzheng.

E. GENERAL

INFORMATION ON THE OFFEROR

The Offeror is a company established in the PRC and listed on the Shanghai Stock Exchange, with stock code 600104. The Offeror is a leading automobile group in the PRC which sold 5.46 million units of automobiles and recorded revenue of RMB779.8 billion based on its audited financial statements for the year ended 31 December 2021. It is principally engaged in the research and development, manufacture and sale of automobiles and automobile components, automobile finance business and the provision of mobility service. The Offeror is directly owned as to approximately 67.82% by SAIC Group, 3.46% by Shanghai International Group, 3.54% by Yuejin Automobile Group Co., Ltd.* (躍進汽車集團有限公司) and 25.18% by public shareholders. SAIC Group and Shanghai International Group are both in turn wholly-owned by Shanghai SASAC.

INFORMATION ON DONGZHENG

Dongzheng is an automotive finance company licensed and regulated by the CBIRC. Dongzheng's principal business comprises automotive loan business where it provides loans, direct leasing products and other financial services to the end customers, major customers and corporate clients for purchases of vehicles in the PRC.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, Dongzheng has established the Independent Board Committee comprising the non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Li Guozhou as non-executive Director and Mr. Wong Man Chung Francis and Ms. Liang Yanjun as independent non-executive Directors, to advise the Independent Shareholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers.

Mr. Koh Tee Choong, a non-executive Director, served as an executive director and chief executive officer of ZhengTong until June 2020 (which is within two years prior to the commencement of the offer period), and is therefore not considered as independent for the purpose of giving advice or recommendation to the Independent Shareholders.

An independent financial adviser will be appointed by Dongzheng (with the approval of the Independent Board Committee) to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. A further announcement will be made by Dongzheng as soon as possible after the appointment of the independent financial adviser.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offers are made, it is the intention of the Offeror and Dongzheng that the Composite Document comprising the offer document from the Offeror and the response document from the Board be jointly despatched by the Offeror and Dongzheng to the Shareholders in accordance with the requirements of the Takeovers Code. The Composite Document will contain, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offers; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers; and (iv) the Forms of Acceptance.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. However, as the making of the Offers is subject to Completion of the Acquisition, which in turn is subject to satisfaction of the Completion Procedures which are not expected to be satisfied within 21 days of the date of this joint announcement, the Offeror will make an application to the Executive under Rule 8.2 of the Takeovers Code for the Executive's consent to extend the deadline for despatch of the Composite document to within 7 days after Completion. Further announcement(s) will be made by the Offeror and Dongzheng on the timing of despatch of the Composite Document.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of any of Dongzheng and the Offeror are hereby reminded to disclose their dealings in the securities of Dongzheng pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

The making of the Offers is subject to Completion of the Acquisition which in turn is subject to the satisfaction of the Completion Procedures. The Offers therefore may or may not be made. The Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of Dongzheng, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of Dongzheng of the possibility that the Offers may be made.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offers, before deciding whether or not to accept the Offers.

RESUMPTION OF TRADING IN H SHARES

At the request of Dongzheng, trading in H Shares on the Stock Exchange has been halted with effect from 9:19 a.m. on 19 May 2022 pending the release of this joint announcement. Application has been made by Dongzheng to the Stock Exchange for resumption of trading in H Shares with effect from 9:00 a.m. on 27 May 2022.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Acquisition”	the acquisition of the Sale Shares by the Offeror by way of the Auction
“Administrative Decision”	Administrative Decision (Hu Yin Bao Jian Tong [2020] No. 41) issued by the CBIRC Shanghai Office
“Administrative Ruling”	Administrative Ruling ([2022] Hu 74 Xing Shen No. 1) issued by Shanghai Financial Court of the PRC
“associated companies”	has the meaning ascribed thereto in the Takeovers Code
“Auction”	the auction of the Sale Shares through the online platform (www.jd.com) pursuant to the Administrative Decision and the Administrative Ruling
“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission and its competent local counterparts
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror. CICC is a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities

“Completion”	completion of the Acquisition
“Completion Date”	the date of Completion, being the date of the completion of the Completion Procedures
“Completion Procedures”	the completion procedures to be satisfied as detailed in the sub-paragraph headed “Completion” in the section headed “A. ACQUISITION OF APPROXIMATELY 71.04% SHAREHOLDING IN DONGZHENG BY THE OFFEROR BY WAY OF AUCTION” above
“Composite Document”	the proposed composite offer and response document to be jointly issued by the Offeror and Dongzheng to the Shareholders in relation to the Offers in accordance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the form of acceptance and transfer), the letter of recommendation from the Independent Board Committee and the letter of advice from the independent financial adviser to the Independent Board Committee
“Consideration”	the consideration for the Sale Shares pursuant to the Auction being RMB1,606,812,970 (equivalent to approximately HK\$1,899,101,391) in aggregate, comprising the Security Deposit and the Remaining Balance
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited and its competent subsidiary, branch or agent
“Director(s)”	director(s) of Dongzheng
“Domestic Share(s)”	the issued ordinary share(s) in the share capital of Dongzheng, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Share Offer”	the offer to be made by the Offeror in accordance with the Takeovers Code for the Domestic Shares
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares from time to time
“Domestic Shares Offer Price”	RMB1.0572 per Domestic Share in respect of the Domestic Share Offer

“Dongfeng Motor Group”	Dongfeng Motor Corporation (東風汽車集團有限公司), being the holder of all of the Domestic Shares as at the date of this joint announcement, and its subsidiaries
“Dongzheng”	Shanghai Dongzheng Automotive Finance Co., Ltd.* (stock code: 2718), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange, and is a non-wholly-owned subsidiary of ZhengTong
“Encumbrances”	(i) any valid mortgage, pledge, charge, lien, rights of preemption, guarantee, trust arrangements or any other similar restriction on rights securing, or conferring any priority of payment in respect of, any obligation of any person, (ii) any valid lease, sub-lease, occupancy agreement or covenant granting a right of use or occupancy to any person, (iii) any valid proxy, power of attorney, voting trust agreement, beneficial interest, option, right of first offer or refusal or other transfer restriction in favour of any person and (iv) any adverse, legal and valid claim as to title, possession or use
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Form(s) of Acceptance”	the form(s) of acceptance and transfer of the Offer Shares in respect of the Offers
“H Share(s)”	the issued overseas listed foreign Share(s) in the share capital of Dongzheng, with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Stock Exchange
“H Share Offer”	the unconditional mandatory cash offer to be made by CICC, for and on behalf of the Offeror or its Nominee, for all the H Shares in accordance with the Takeovers Code
“H Share Offer Price”	HK\$1.2430 per H Share in respect of the H Share Offer
“H Shareholder(s)”	the holder(s) of H Shares
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Board established pursuant to the Takeovers Code comprising those Directors as identified in the section headed “Independent Board Committee and Independent Financial Adviser” and formed for the purpose of advising the Independent Shareholders in respect of the Offers
“Independent H Shareholder(s)”	the H Shareholders other than the Offeror and parties acting in concert with it
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	18 May 2022, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NEV Credits”	credits that are granted to automobile manufacturers in the PRC when new energy passenger cars are produced or imported, the surplus of which are tradable amongst automobile manufacturers in the PRC
“NDRC”	the National Development and Reform Commission or its local counterpart
“Nominee”	a subsidiary of the Offeror incorporated outside of the PRC
“Offer Price”	the H Shares Offer Price and the Domestic Shares Offer Price
“Offer Share(s)”	all Shares that are not owned or agreed to be acquired by the Offeror or parties acting in concert with it and “Offer Share” means any of them
“Offeror Group”	the Offeror and its subsidiaries
“Offers”	the H Share Offer and Domestic Share Offer
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remaining Balance”	RMB1,446,812,970, being the balance of the Consideration after deducting the Security Deposit from the Consideration
“RMB”	Renminbi, the lawful currency of the PRC

“SAFE”	the State Administration of Foreign Exchange or its local counterpart
“SAIC Group”	Shanghai Automotive Industry Corporation (Group)* (上海汽車工業(集團)有限公司), a corporation registered in the PRC, and wholly-owned by Shanghai SASAC
“SAIC HK”	SAIC Motor HK Investment Limited, a company incorporated in Hong Kong, and wholly-owned by the Offeror
“SAIC Motor” or “Offeror”	SAIC Motor Corporation Limited (上海汽車集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600104) and is owned as to approximately 67.82% by SAIC Group and 3.46% by Shanghai International Group
“Sale Shares”	1,520,000,000 Unlisted Foreign Shares in Dongzheng, representing approximately 71.04% of the issued share capital of Dongzheng and 100% of the Unlisted Foreign Shares as at the date of this joint announcement
“Security Deposit”	the security deposit of RMB160,000,000 which has been paid by the Offeror to the Shanghai Financial Court on 13 May 2022 (prior to its enrolment for the Auction on 17 May 2022)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of Dongzheng with a nominal value of RMB1.00 each, including H Shares, Domestic Shares, and Unlisted Foreign Shares
“Shanghai Financial Court”	Shanghai Financial Court of the People’s Republic of China
“Shanghai International Group”	Shanghai International Group Corporation Limited* (上海國際集團有限公司), a corporation registered in the PRC, and wholly-owned by Shanghai SASAC
“Shanghai SASAC”	Shanghai Municipal State-owned Assets Supervision and Administration Commission* (上海市國有資產監督管理委員會)
“Shareholder(s)”	holder(s) of Share(s)

“Specified Concert Parties”	certain parties presumed to be acting in concert (as defined under the Takeovers Code) with the Offeror, being (a) SAIC Group, the Offeror’s subsidiaries, the Offeror’s fellow subsidiaries, associated companies of the Offeror and of any of the foregoing, and companies of which such companies are associated companies; and (b) partner(s) of partnerships in which the Offeror is a partner
“STA”	the State Taxation Administration and its competent local counterparts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“Transactions”	the Acquisition and the Offers
“United States” or “U.S.”	the United States of America
“Unlisted Foreign Share(s)”	the overseas unlisted foreign Share(s) in the share capital of Dongzheng, with a nominal value of RMB1.00 each
“Unlisted Shares”	Domestic Shares and Unlisted Foreign Shares
“ZhengTong”	China ZhengTong Auto Services Holdings Limited (stock code: 1728), a company incorporated in the Cayman Islands with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange and the controlling shareholder of Dongzheng prior to the Completion of the Acquisition
“%”	per cent.

By order of the board of directors of
SAIC Motor Corporation Limited*
Hong Chen
Director

By order of the board of directors of
Shanghai Dongzheng Automotive Finance Co., Ltd.*
Lin Fan
Chairman

Shanghai, 26 May 2022

As at the date of this joint announcement, the board of directors of Dongzheng 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 of Dongzheng jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement to the extent that it relates to Dongzheng and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the directors of Dongzheng in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of the Offeror comprises Hong Chen, Xiaoqiu Wang, Jian Wang, Zheng Sun, Saixing Zeng, Naiwei Chen and Lixin Zhong.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to Dongzheng, or any parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Dongzheng) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.

For the purpose of this joint announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB0.85057: HK\$1.00, being the median exchange rate on 26 May 2022, being the date of this joint announcement, as announced by the People's Bank of China on the China Foreign Exchange Trading System of the PRC. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

** For identification purpose only*