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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 POSITIVE PROFIT ALERT

This announcement is made by Shanghai Dongzheng Automotive Finance Co., Ltd.* (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Company for the six months ended 30 June 2022, it is expected that the Company will record an unaudited net profit ranging from RMB280 million to RMB320 million for the six months ended 30 June 2022, as compared to the unaudited net loss of approximately RMB260 million for the six months ended 30 June 2021.

Based on the preliminary assessment of the Company on the recoverability of its loans and advances to customers and bills receivable, including the repayments of certain overdue receivables from customers of over RMB1.7 billion during the period up to the date of this announcement in 2022, the Company is expected to record a reversal of allowances for impairment losses of not less than RMB440 million for the six months ended 30 June 2022 as compared to a provision for impairment losses of approximately RMB475 million for the corresponding period last year. However, such improvement is partly offset mainly by the expected decrease in net interest income. Based on the assessment of the economic situation and credit risks, as well as the impact of the pandemic, the Company has adopted a more cautious approach and has been gradually reducing the loan portfolio since 2021, leading to an expected decrease in net interest income of approximately RMB84 million.

In respect of the repayments from customers of over RMB1.7 billion during the period up to the date of this announcement in 2022, the Company is expected to record a further reversal of allowances for impairment losses of not less than RMB70 million in August 2022.

As the Company's interim results for the six months ended 30 June 2022 have not yet been finalised, the information contained in this announcement represents preliminary statistics and a preliminary assessment based on the unaudited management accounts of the Company, which have not been reviewed by the Company's auditor or the audit committee of the Board. The financial results of the Company for the six months ended 30 June 2022 is expected to be published on or around 31 August 2022.

Reference is made to the joint announcements of the Company and SAIC Motor Corporation Limited* (上海汽車集團股份有限公司) dated 26 May 2022, 13 June 2022, 5 August 2022 and 11 August 2022 in relation to, among others, the unconditional mandatory general offers (the "**Offers**") pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "**Takeovers Code**").

The profit alert included in this announcement ("**Profit Alert**") constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Alert is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders ("**Shareholders' Document**"). However, if the interim results announcement of the Company for the six months ended 30 June 2022, which falls within the ambit of Rule 10.9 of the Takeovers Code, has been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Alert under Rule 10.4 of the Takeovers Code will no longer apply.

Shareholders and potential investors should note that the Profit Alert has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Offers.

Shareholders and potential investors 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, 22 August 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*