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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

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).

The Company was informed by China ZhengTong Auto Services Holdings Limited (“**China ZhengTong**”, together with its subsidiaries, “**China ZhengTong Group**”), the controlling shareholder of the Company (as defined under the Listing Rules), that on 19 October 2020, its controlling shareholder, Joy Capital Holdings Limited (“**Joy Capital**”), which holds 1,383,516,820 shares of China ZhengTong (“**ZhengTong Shares**”) (representing approximately 51.29% of the total issued ZhengTong Shares as of the date of this announcement), and Mr. Wang Muqing entered into a sale and purchase agreement (the “**SPA**”) with Xiamen Xindeco Ltd. (廈門信達股份有限公司) (the “**Purchaser**”), pursuant to which Joy Capital conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, ZhengTong Shares carrying 29.9% of the voting rights of the total issued ZhengTong Shares, equivalent to 806,535,284 ZhengTong Shares as of the date of this announcement (the “**Transaction**”) at a consideration of HK\$1,403,371,394 (representing approximately HK\$1.74 per ZhengTong Share). 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.

Upon completion of the Transaction, the Purchaser shall become the single largest shareholder of China ZhengTong. The Purchaser is a company established in the People's Republic of China with its shares listed on the Shenzhen Stock Exchange (Stock Code: 000701). The Purchaser is principally engaged in information technology, automobile trading and supply chain businesses. The Purchaser will become a strategic investor of China ZhengTong and China ZhengTong expects such relationship to provide synergies and significant opportunities for ZhengTong Group to further develop the business of ZhengTong Group.

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, 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, 20 October 2020

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*