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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
PROFIT WARNING**

This announcement is made by Shanghai Dongzheng Automotive Finance Co., Ltd. (the “**Company**”) in accordance with 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 year ended 31 December 2020, it is expected that the Company will record an unaudited net profit ranging from RMB41 million to RMB72 million as compared to the audited net profit of approximately RMB389 million for the year ended 31 December 2019. The expected decrease in net profit recorded by the Company is mainly due to (i) the decrease in new loans disbursed by the Company attributable to the outbreak of the COVID-19 pandemic which reduced consumers’ consumption demand for passenger vehicles purchase; (ii) the increase in the Company’s allowances for impairment losses in relation to its loans and advances to customers and finance lease receivables due to the negative impact of the pandemic on the repayment capabilities of some of its customers. Based on the preliminary assessment of the unaudited management accounts of the Company for the year ended 31 December 2020, it is expected that the Company will provide for impairment losses ranging from RMB360 million to RMB400 million; and (iii) the reduction in fees and commission income as a result of the adjustment made by the Company in its arrangements for collecting service fees from customers since 2019.

As the Company's annual results for the year ended 31 December 2020 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 audited or reviewed by the Company's auditor or the audit committee of the Board. The financial results of the Company for the year ended 31 December 2020 is expected to be published on or around 31 March 2021.

Reference is made to the announcement dated 3 February 2021 ("**Rule 3.7 Announcement**") and the monthly update announcement dated 3 March 2021 of the Company in relation to, among other things, the Potential Disposal (as defined in the Rule 3.7 Announcement) and the possible mandatory general offer (the "**Possible Mandatory General Offer**") under Rule 26.1 of the Code on Takeovers and Mergers (the "**Takeovers Code**").

The profit warning included in this announcement ("**Profit Warning**") constitutes a profit forecast under Rule 10 of the Takeovers Code issued by the Securities and Futures Commission of Hong Kong 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 Warning 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 annual results announcement of the Company for the year ended 31 December 2020, 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 Warning under Rule 10.4 of the Takeovers Code will no longer apply.

Shareholders and potential investors should note that the Profit Warning 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 Warning in assessing the merits and demerits of the Possible Mandatory General Offer.

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, 26 March 2021

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*