
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Dongzheng Automotive Finance Co., Ltd.*, you should at once hand this circular and the accompanying form of proxy and reply slip for the 2019 Third Extraordinary General Meeting, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED DISTRIBUTION OF 2019 INTERIM DIVIDEND AND NOTICE OF THE 2019 THIRD EXTRAORDINARY GENERAL MEETING

The 2019 Third Extraordinary General Meeting or any adjourned meeting (“**Extraordinary General Meeting**”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* will be held at 3:00 p.m. on Monday, 21 October 2019 at Qingtai Room, 2nd Floor, Midtown Shangri-La Hotel, 6 Changshou Road, Xiacheng District, Hangzhou, Zhejiang, China. A notice of convening the Extraordinary General Meeting is set out on pages 8 to 11 of this circular.

Whether or not you are able to attend the Extraordinary General Meeting, you are advised to read the notice of the Extraordinary General Meeting carefully and to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for H Shareholders, or to the Company’s registered office at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC (“**Company’s Registered Office**”) for Domestic Shareholders and Unlisted Foreign Shareholders, in any event served by hand or by post not less than 24 hours before the time appointed for convening the Extraordinary General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Extraordinary General Meeting or any adjourned meeting(s) thereof in person if you so wish. In such event, the instrument of appointing a proxy form shall be deemed to be revoked.

If you intend to attend the Extraordinary General Meeting in person or by proxy, you are required to complete and return the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company’s Registered Office (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before Tuesday, 1 October 2019. The Chinese and English version of this circular and the enclosed proxy form and reply slip have been published on the websites of the Company (www.dongzhengafc.com) and the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), you can download or read the aforementioned documents by clicking “Investor relations” on the homepage of the website of the Company, or read them on the website of the Hong Kong Exchanges and Clearing Limited.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2019 Interim Dividend”	the proposed interim dividend of RMB0.08 per Share (tax inclusive) for the six months ended 30 June 2019, as proposed by the Board
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	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 PRC with limited liability and whose H Shares are listed on the Stock Exchange (Stock Code: 2718)
“Company’s Registered Office”	Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC
“Company Law”	The Company Law of the PRC (as amended from time to time)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
“Extraordinary General Meeting”	the 2019 Third Extraordinary General Meeting of the Company that will be held at 3:00 p.m. on Monday, 21 October 2019 at Qingtai Room, 2nd Floor, Midtown Shangri-La Hotel, 6 Changshou Road, Xiacheng District, Hangzhou, Zhejiang, China
“Group”	the Company and its subsidiaries. As at the Latest Practicable Date, the Company has no subsidiaries
“H Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Latest Practicable Date”	2 September 2019
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Record Date”	H Shareholders whose names appear on the register of members of H Shares on Wednesday, 30 October 2019 are entitled to the proposed 2019 Interim Dividend
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the share capital of the Company, including Domestic Shares, Unlisted Foreign Shares and H Shares
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unlisted Foreign Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and held by persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange

* *Unless otherwise specified in this circular, the English name of the entity of China is the translated name of its Chinese name, and is included in this circular for identification purpose. In the event of inconsistency, the Chinese name shall prevail.*



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)

Executive Directors:

Mr. Lin Fan (*Chairman*)

Mr. Shao Yongjun

Non-executive Directors:

Mr. Koh Tee Choong

Mr. Yin Yaoliang

Independent Non-executive Directors:

Mr. Lau Wai Leung Anders

Mr. Lin Zheyang

Ms. Liang Yanjun

Registered office:

Unit ABC, 30/F, Mirae Asset Tower

No. 166, Lu Jia Zui Ring Road

Shanghai, the PRC

Principal place of business in the PRC:

Unit ABC, 30/F, Mirae Asset Tower

No. 166, Lu Jia Zui Ring Road

Shanghai, the PRC

Place of business in Hong Kong:

31/F, Tower Two, Times Square,

1 Matheson Street, Causeway Bay

Hong Kong

6 September 2019

To the Shareholders,

**PROPOSED DISTRIBUTION OF 2019 INTERIM DIVIDEND
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

A. INTRODUCTION

The purpose of this circular is to provide you with information in relation to the proposed distribution of 2019 Interim Dividend and to give you notice of the Extraordinary General Meeting to consider and, if thought fit, to approve the resolution proposed at the Extraordinary General Meeting.

* *For identification purposes only*

LETTER FROM THE BOARD

B. PROPOSED DISTRIBUTION OF 2019 INTERIM DIVIDEND

Reference is made to the interim results announcement for the six months ended 30 June 2019 in relation to the proposed distribution of 2019 Interim Dividend.

The resolution in relation to the proposed distribution of 2019 Interim Dividend of RMB171,172,112, based on its total share capital of 2,139,651,400 Shares, has been passed at the board meeting held on 30 August 2019.

I. Proposed Distribution of 2019 Interim Dividend

As at the Latest Practicable Date, the Company has 2,139,651,400 Shares in issue. The Board has proposed to distribute the 2019 Interim Dividend of RMB171,172,112 based on its total share capital of 2,139,651,400 Shares. According to the Articles of Association, the interim dividend will be denominated and declared in RMB. The interim dividend on Domestic Shares will be paid in RMB and the interim dividend on H Shares and Unlisted Foreign Shares will be paid in Hong Kong dollars. The interim dividend will be payable to the H Shares and Unlisted Foreign Shares holders in Hong Kong dollars, with the applicable exchange rate being the average closing exchange rate of relevant foreign currency against RMB as quoted by the People's Bank of China for the five business days prior to the date of declaration of dividends or other distributions.

The declaration and payment of the 2019 Interim Dividend is subject to the approval of the Shareholders at the Extraordinary General Meeting and such Shareholders' approval is required under relevant PRC laws/regulations. The 2019 Interim Dividend will be distributed to the Shareholders whose names appear on the Company's register of members on the Record Date.

Conditions to the interim dividend

The distribution of the 2019 Interim Dividend is conditional upon the satisfaction of the following conditions:

- (i) the interim dividend having been approved by the Shareholders at the extraordinary general meeting of the Company;
- (ii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the interim dividend is paid, unable to pay its debts as they fall due in the ordinary course of business; and
- (iii) the compliance with the relevant legal procedures and requirements under the Company Law that are applicable to the interim dividend.

LETTER FROM THE BOARD

Subject to the fulfilment of the above conditions, it is expected that the 2019 Interim Dividend will be paid in cash on or before 30 November 2019 to those Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date.

The conditions set out above cannot be waived. If any of the conditions set out above is not satisfied, the 2019 Interim Dividend will not be paid.

Cheques for the 2019 Interim Dividend

Subject to the fulfilment of the conditions to the interim dividend as set out above, cheques for the 2019 Interim Dividend are expected to be despatched by ordinary mail to the persons entitled thereto on or before 30 November 2019 to their respective addresses shown in the register of members of H Shares or in the case of joint holders, to the address of the joint holder whose name stands first in the register of members of H Shares.

II. Taxation

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, shall be deemed as shares held by non-resident enterprise Shareholders. Therefore, on this basis, enterprise income tax will be withheld from dividends payable to such Shareholders. If holders of H Shares intend to change their shareholder status, please enquire about the relevant procedures with their agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H Shares as at the Record Date.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries which have an agreed tax rate of 10% for the cash dividends given to them with the PRC under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual holders of H Shares be residents of the countries which had an agreed dividend tax rate of less than 10% with the PRC under the relevant tax agreement, the Company shall withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. If the relevant individual holders of H Shares wish to reclaim the extra amount withheld ("**Extra Withholding Amount**"), the Company can apply for the relevant agreed preferential tax treatment under the relevant tax agreement provided that the relevant Shareholders submit the evidence required by the notice of the tax agreement to the H share register before deadline. The Company will assist with the extra withholding tax refund after obtaining the approval

LETTER FROM THE BOARD

of the competent tax authority. Should the individual holders of H Shares be residents of the countries which had an agreed dividend tax rate of over 10% but less than 20% with the PRC under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual holders of H Shares are residents of the countries which have an agreed dividend tax rate of 20% with the PRC, or which have not entered into any tax agreement with the PRC, or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

C. EXTRAORDINARY GENERAL MEETING

The proxy form of the Extraordinary General Meeting and the reply slip of the Extraordinary General Meeting are enclosed.

If you intend to appoint a proxy to attend the Extraordinary General Meeting, you are required to complete and return the enclosed proxy form in accordance with the instructions printed thereon, the proxy form should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders, or to the Company's registered office for Domestic Shareholders and Unlisted Foreign Shareholders, in any event not less than 24 hours before the time fixed for holding the Extraordinary General Meeting or any adjourned meeting thereof in person or by post. Completion and return of the proxy form will not preclude you from attending and voting in person at the Extraordinary General Meeting or at any other adjourned meeting should you so wish.

If you intend to attend the Extraordinary General Meeting in person or by proxy, you are required to complete and return the enclosed reply slip to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholder or to the Company's registered office (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before Tuesday, 1 October 2019.

D. CLOSURE OF REGISTER OF MEMBERS

(i) For attending and voting at the Extraordinary General Meeting

In order to determine the list of H Shareholders who will be entitled to attend and vote at the Extraordinary General Meeting, the Company's H shares register of members will be closed from Saturday, 21 September 2019 to Monday, 21 October 2019 (both days inclusive), during which period no transfer of H Shares will be effected. In order for the H Shareholders to qualify for attending and voting at the Extraordinary General Meeting, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 20 September 2019.

LETTER FROM THE BOARD

(ii) For entitlement of the proposed 2019 Interim Dividend

The Company's register of members will be closed from Friday, 25 October 2019 to Wednesday, 30 October 2019 (both days inclusive), during which time no transfer of Shares will be registered. In order to qualify for the entitlement of the 2019 Interim Dividend, the Shareholders must deliver their instruments of transfer, accompanied by the relevant share certificates and forms of transfer, to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, located at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, 24 October 2019. The Company will pay the 2019 Interim Dividend on or before Saturday, 30 November 2019 upon the approval of the Extraordinary General Meeting.

E. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the Extraordinary General Meeting will be voted by poll. The poll results will be published on the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafcc.com after the conclusion of the Extraordinary General Meeting.

As at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolution.

F. RECOMMENDATION

The Directors believe that the resolution proposed for consideration and approval by the Shareholders at the Extraordinary General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of the resolution to be proposed at the Extraordinary General Meeting as set out in the notice of Extraordinary General Meeting.

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



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)

**NOTICE OF THE 2019 THIRD EXTRAORDINARY
GENERAL MEETING**

Notice is hereby given that the 2019 Third Extraordinary General Meeting or any adjourned meeting (“**Extraordinary General Meeting**”) of Shanghai Dongzheng Automotive Finance Co., Ltd. (the “**Company**”) will be held at 3:00 p.m. on Monday, 21 October 2019 at Qingtai Room, 2nd Floor, Midtown Shangri-La Hotel, 6 Changshou Road, Xiacheng District, Hangzhou, Zhejiang, China to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

1. To consider and approve the distribution of interim dividend for the six months ended 30 June 2019.

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

Shanghai, PRC

6 September 2019

* *For identification purposes only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolution proposed at the Extraordinary General Meeting will be voted by poll. The poll results will be published on the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafcc.com upon the conclusion of the Extraordinary General Meeting.
2. The Company's shares register of members will be closed from Saturday, 21 September 2019 to Monday, 21 October 2019 (both days inclusive). In order to qualify for attending and voting at the Extraordinary General Meeting, shareholders of the Company ("**Shareholders**") should lodge all instruments of transfer with the relevant share certificates and transfer forms with Computershare Hong Kong Investor Services Limited, the Company's share registrar, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 20 September 2019.
3. The Company's shares register of members will be closed from Friday, 25 October 2019 to Wednesday, 30 October 2019 (both days inclusive). In order to qualify for the interim dividend of RMB0.08 (tax inclusive) for the six months ended 30 June 2019 ("**2019 Interim Dividend**"), Shareholders should lodge instruments of transfer with the relevant share certificates and transfer forms with Computershare Hong Kong Investor Services Limited, the Company's share registrar, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 24 October 2019. The Company will pay the 2019 Interim Dividends on or before Saturday, 30 November 2019 upon the approval of the Extraordinary General Meeting.
4. Holders of overseas listed foreign shares of the Company (in the form of H Shares) whose names appear in the Register of Members of the Company maintained at the Computershare Hong Kong Investor Services Limited at the close of business on Friday, 20 September 2019, is entitled to attend and vote at the Extraordinary General Meeting after completing the registration required.

Holders of overseas listed foreign shares (in the form of H Shares) whose names appear in the Register of Members of the Company maintained at the Computershare Hong Kong Investor Services Limited at the close of business on Wednesday, 30 October 2019, is entitled to receive the 2019 Interim Dividend.

5. Shareholders who intend to attend the Extraordinary General Meeting in person or by proxy shall submit the reply slip for the Extraordinary General Meeting in person or by mail to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the Company's Registered Office (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before Tuesday, 1 October 2019.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

6. Each holders of H Shares entitled to attend and vote at the Extraordinary General Meeting or any adjourned meeting is entitled to appoint in writing one or more proxies (whether the proxy is a shareholder of the Company or not) to attend and vote at the Extraordinary General Meeting in his stead. For Shareholder who appointed more than one proxies, his or her representative shall only vote in the event of open ballot.
7. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarially certified. The instrument appointing a proxy of any holder of H shares (being a body corporate) must be affixed with the corporate seal of such holder of H shares or duly signed by the chairman of its Board or by its authorized attorney. To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting in order for such documents to be valid.
8. Holders of Domestic Share of the Company is entitled to appoint in writing one or more proxies (whether the proxy is a Shareholder or not) to attend and vote at the Extraordinary General Meeting in his stead. Notes (6) and (7) are also applicable to the holders of Domestic Share of the Company, however the form of proxy or other documents of authorization must be delivered to the Company's Registered Office not less than 24 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting in order for such documents to be valid. The address of the Company's Registered Office is stated in Note (11) below.
9. Shareholders or their proxies shall present their identity documents when attending the Extraordinary General Meeting:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their qualification as legal representatives and documents proving their shareholder identities; where legal representatives authorize others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid personal identification and the written authorization letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorize others to attend the meeting, the proxies shall present their valid personal identification, the authorization resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorization letters from the shareholders and documents proving their shareholder identities.
10. The Extraordinary General Meeting is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
11. The address of Company's registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.

Telephone: 86 (21) 2068 9999

Facsimile: 86 (21) 2068 9996