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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)

CONTINUING CONNECTED TRANSACTIONS

AUTOMOTIVE LOAN SERVICES FRAMEWORK AGREEMENT

On 7 December 2022, the Company and SAIC Motor entered into the Automotive Loan Services Framework Agreement, pursuant to which SAIC Motor Group agreed to provide Loan-related Services to the Company for the promotion of the Company's automotive loan business subject to the terms and conditions provided therein for a term commencing from 1 January 2023 to 31 December 2024.

AUTOMOTIVE FINANCIAL SERVICES FRAMEWORK AGREEMENT

On 7 December 2022, the Company and SAIC Motor entered into the Automotive Financial Services Framework Agreement, pursuant to which the Company agreed to provide financial consultation services in relation to automobile purchase financing activities to members of the SAIC Motor Group subject to the terms and conditions provided therein for a term commencing from 1 January 2023 to 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SAIC Motor holds 1,912,248,601 Shares (representing 89.37% of the total issued share capital of the Company), and among such number of Shares, 392,248,601 H Shares of which remained in the course of administrative licensing procedures pursuant to Articles 42 and 114 of the Implementation Measures for Administrative Licensing Items of Non-banking Financial Institutions of the CBIRC (2020 No. 6)* (《中國銀保監會非銀行金融機構行政許可事項實施辦法》(2020年第6號)), whereby the relevant shareholder rights (including voting rights) of SAIC Motor may not be exercised before obtaining the approval from the relevant regulatory authorities. Therefore, SAIC Motor controls voting rights in respect of 1,520,000,000 Shares as at the date of this announcement and is a controlling shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Loan-related Services under the Automotive Loan Services Framework Agreement, as one or more of the applicable percentage ratios of the transactions exceed 5%, the transactions relating to the Loan-related Services under the Automotive Loan Services Framework Agreement are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Financial Services under the Automotive Financial Services Framework Agreement, as one or more of the applicable percentage ratios of the transactions exceed 5%, the transactions relating to the Financial Services under the Automotive Financial Services Framework Agreement are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder.

The Company has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing among others, (i) details of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee in relation to the continuing connected transactions; (iii) the letter from the Independent Financial Adviser in relation to the continuing connected transactions; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM will be despatched to the Shareholders in due course.

BACKGROUND

Reference is made to the Completion Announcement and the Composite Document in relation to, among other things, that SAIC Motor won the Auction at the bid price of RMB1,606,812,970 for the Sale Shares on 19 May 2022; and SAIC Motor became interested in 1,520,000,000 Unlisted Foreign Shares, representing approximately 71.04% of the issued share capital of the Company on 4 August 2022. As at the date of this announcement, SAIC Motor holds 1,912,248,601 Shares (representing 89.37% of the total issued share capital of the Company).

As disclosed in the section headed “The Offeror’s Intentions Regarding the Company” in the Composite Document, SAIC Motor intended that the Company would continue with its principal automotive loan business, and SAIC Motor would explore and pursue appropriate investment and business plans and strategies to promote the development of the Company’s automotive finance business. In addition, as disclosed in the Company’s 2022 interim report for the six months ended 30 June 2022, the Company’s business development plan would include continued enhancement of its loan disbursements efforts and strengthening co-operation of automobile brands; and developing innovative and customized financial products for new energy vehicles to pursue new business growth. In particular, the Company notes that a member of the SAIC Motor Group (the “**SAIC Financing Business Provider**”) is engaged in the automotive financing business. It is the Company’s business development plan that a major part of the automotive financing business conducted by the SAIC Financing Business Provider is expected to be conducted by the Company.

Leveraging on the resources of SAIC Motor, the Company intends to explore co-operation with SAIC Motor in the development and promotion of the Company's automotive loan business. The Board is of the view that the co-operation would be in line with the Company's business development plan. To regulate the respective rights and obligations, the Company agreed to enter into the following agreements with SAIC Motor:

- (i) **Automotive Loan Services Framework Agreement:** the Company entered into the Automotive Loan Services Framework Agreement with SAIC Motor, pursuant to which SAIC Motor Group shall provide Loan-related Services to the Company to promote the Company's automotive loan business, subject to the terms and conditions provided therein for a term commencing on 1 January 2023 and ending on 31 December 2024; and
- (ii) **Automotive Financial Services Framework Agreement:** the Company entered into the Automotive Financial Services Framework Agreement with SAIC Motor, pursuant to which the Company shall provide financial consultation services in relation to automobile purchase financing activities to members of SAIC Motor Group, subject to the terms and conditions provided therein for a term commencing on 1 January 2023 and ending on 31 December 2024.

Negotiation of the terms of each of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement were conducted on an arm's length basis and independent of each other, and the entering into of each of the agreements is neither interconnected nor inter-conditional with each other.

AUTOMOTIVE LOAN SERVICES FRAMEWORK AGREEMENT

The principal terms of the Automotive Loan Services Framework Agreement are set out as follows:

- Date** : 7 December 2022
- Parties** : (i) The Company; and
(ii) SAIC Motor.
- Term** : Two years commencing on 1 January 2023 and ending on 31 December 2024 (both days inclusive).

Scope of services : SAIC Motor Group will provide a range of services to the Company for the promotion of the Company's automotive loan business. The Loan-related Services to be provided by SAIC Motor Group would include:

- (i) providing the Company with marketing and promotion services in relation to automotive loan business, including the introduction of customers;
- (ii) informing the car purchasers who apply for automotive loans of the required information on behalf of the Company, and ensuring the materials to be provided for the loan application are complete;
- (iii) assisting customers in printing the contracts on behalf of the Company, if needed;
- (iv) assisting customers in performing the signing procedures of formal loan contracts on behalf of the Company;
- (v) assisting customers in preparing materials required for applying car mortgage upon issuance of their registration certificate on behalf of the Company and reminding customers to process the procedures at the vehicle administration department with their identity cards;
- (vi) collecting customers' mortgage registration certificate on behalf of the Company upon the approval of their mortgage and delivering them to the Company; and
- (vii) other matters entrusted by the Company to SAIC Motor Group for the conduction of loan business in accordance with applicable laws and regulations.

Service fees : In consideration of the Loan-related Services to be provided by SAIC Motor Group, the Company will pay the Loan-related Service Fees to SAIC Motor Group.

Payment term : The payment for the Loan-related Service Fees shall be settled within two months after the Company receives the official invoice from SAIC Motor Group.

Pricing policy : The Loan-related Service Fees shall be determined based on market price of comparable services to be provided to the Company by independent third parties having regard to various factors including nature of the loan, duration of the loan, interest rate, and the brand of automobile involved, etc. In determining the market price of comparable services, the Company will make reference to (1) the service fee payable by the Company for similar services to independent cooperation channels; and (2) the service fee level in the same or nearby region for obtaining similar services through making inquiries with at least two independent third party channels in the market.

In any event the terms of the Loan-related Service Fees payable by the Company shall not be less favourable to the Company than those available from other independent third parties for similar types of services.

Historical amounts : The Company and SAIC Motor Group did not conduct similar transactions to those contemplated under the Automotive Loan Services Framework Agreement in the past. Therefore, there is no historical amount for the transactions contemplated under the Automotive Loan Services Framework Agreement.

Proposed annual caps : It is expected that the amount of the Loan-related Service Fees payable by the Company in 2023 and 2024 will not exceed the following respective amounts:

	For the year ending 31 December	
	2023	2024
	<i>(RMB)</i>	<i>(RMB)</i>
Loan-related Service Fees payable	100,000,000	200,000,000

The basis for determining the proposed caps in 2023 and 2024 for the Loan-related Service Fees payable by the Company to SAIC Motor Group under the Automotive Loan Services Framework Agreement are as follows:

- (i) the estimated number of automobile loan transactions to be promoted through SAIC Motor Group's cooperation channel for the year ending 31 December 2023 and the year ending 31 December 2024 being not exceeding 30,000 and not exceeding 50,000 respectively, taking into consideration, among others, the business plan of the Company to leverage on SAIC Motor Group's cooperation channel in promoting its automobile loan business; the increasing trend of loan-related services transactions provided by SAIC Motor Group (through its cooperation channels); and the continuing development of SAIC Motor Group's cooperation channels in the next two years;
- (ii) the estimated average loan amount of such automobile loan business, with reference to the average financing amount of the SAIC Financing Business Provider for each of the three years ended 31 December 2021 and for the six months ended 30 June 2022 being approximately RMB80,000, RMB83,000, RMB82,000 and RMB86,000 respectively; and
- (iii) the estimated average Loan-related Service Fees rate for each of the automobile loan business ranging from approximately 2.0% to 8.0%, determined with reference to the loan-related service fees rates of the SAIC Financing Business Provider's businesses during the three months ended 30 June 2022.

Based on the information provided by SAIC Motor Group, (i) the number of cooperation channels has increased by more than five times in 2021 (as compared to 2020) and more than 100% up to October 2022 (as compared to 2021); and (ii) the number of business staff has increased by over six times by October 2022 (as compared to 2020). Based on the business plan of SAIC Motor Group, it is expected that the number of cooperation channels would be expanded by twofolds whereas the number of business staff will be increased by 40% for the year ending 31 December 2024. Having considered SAIC Motor Group's past expansion and its intention to further develop its business, it is expected that the estimated number of automobile loan transactions to be promoted through SAIC Motor Group's cooperation channel for the year ending 31 December 2024 would be twice as much as the estimated number of automobile loan transactions to be promoted for the year ending 31 December 2023.

Reasons for and Benefits of Entering into the Automotive Loan Services Framework Agreement

- (i) As disclosed above, it is the Company's business development plan that a major part of the automotive financing business currently carried out by the SAIC Financing Business Provider is expected to be conducted by the Company instead of the SAIC Financing Business Provider. SAIC Motor is a leading automobile group in the PRC which sold approximately 5.46 million units of automobiles and recorded revenue of approximately RMB779.8 billion based on its audited financial statements for the year ended 31 December 2021. Based on the information available to the Company, as at 31 December 2021, SAIC Financing Business Provider's sales network comprises of over 60 co-operation channels. In addition, the Company shall recruit certain of the operating staff of SAIC Financing Business Provider (who will become part of the Company's team) to facilitate the Company to conduct its automotive financing business together with its existing in-house teams. This would allow the Company to expand the Company's sales network by cooperating with channels previously cooperating with SAIC Financing Business Provider and to penetrate into the new market segments, identify new customers and continue to expand its business on an independent basis.
- (ii) The transactions contemplated under the Automotive Loan Services Framework Agreement would enable the Company to gain access to customers of and identified by SAIC Motor Group and promote the Company to provide more high-quality and convenient loan products and financial services for automobile purchasers, and therefore expand the customer base and broaden the revenue source of the Company.

- (iii) The Loan-related Services to be provided by SAIC Motor Group in the loan application procedure is also provided by other automotive dealers of the Company in the Company's usual and ordinary course of business. Such practice is common among auto finance companies that are licensed and regulated by the CBIRC in the PRC.
- (iv) The entering into the Automotive Loan Services Framework Agreement is to formalise and facilitate the Loan-related Services to be provided to the Company by SAIC Motor Group.

AUTOMOTIVE FINANCIAL SERVICES FRAMEWORK AGREEMENT

The principal terms of the Automotive Financial Services Framework Agreement are set out as follows:

- Date** : 7 December 2022
- Parties** : (i) The Company; and
(ii) SAIC Motor.
- Term** : Two years commencing on 1 January 2023 and ending on 31 December 2024 (both days inclusive).
- Scope of services** : The Company will provide financial consultation services in relation to automobile purchase financing activities to members of the SAIC Motor Group. The scope of Financial Services includes but not limited to:
 - (i) providing automobile purchase financing business client-sourcing model design and consultation services, including referral of client resources, to SAIC Motor Group;
 - (ii) providing training services relating to automobile purchase financing client risk assessment to SAIC Motor Group;
 - (iii) providing business advisory services to their automobile purchase financing business personnel of SAIC Motor Group; and
 - (iv) providing consultation services in relation to automobile purchase financing product pricing to SAIC Motor Group.
- Service fees** : In respect of the Financial Services to be provided by the Company, SAIC Motor Group shall pay the Financial Service Fees to the Company.

Payment term : The payment for the Financial Service Fees shall be settled within two months after SAIC Motor Group receives the official invoice from the Company.

Pricing policy : The Financial Service Fees shall be determined on the basis of the standard of fees paid by other industry players for comparable services obtained through market research with reference to nature of the automobile purchase financing, the financing amount, duration, interest rate, brand of automobile involved, complexity of the projects, and the amount of resources and costs expected to be invested by the Company, etc. In determining the comparable service fees, the Company will make reference to (1) industry information on service fee from companies that principally engaged in the provision of automobile financing services or similar financing services; and (2) the service fee level in the same or nearby region for similar services through making inquiries with at least two independent third party channels and/or financial institutions.

In any event the terms of Financial Service Fees chargeable by the Company shall not be less favourable to the Company than those available to other independent third parties for similar type of service.

Historical amounts : The Company and SAIC Motor Group did not conduct similar transactions to those contemplated under the Automotive Financial Services Framework Agreement in the past. Therefore, there is no historical amount for the transactions contemplated under the Automotive Financial Services Framework Agreement.

Proposed annual caps : It is expected that the Financial Service Fees payable by SAIC Motor Group in 2023 and 2024 will not exceed the following respective amounts:

	For the year ending 31 December	
	2023	2024
	<i>(RMB)</i>	<i>(RMB)</i>
Financial Service Fees payable	200,000,000	200,000,000

The basis for determining the proposed caps in 2023 and 2024 for the Financial Service Fees payable by SAIC Motor Group to the Company under the Automotive Financial Services Framework Agreement are as follows:

- (i) the estimated number of automobile purchase financing transactions of the SAIC Motor Group which requires the Company's Financial Services for each of the two years ending 31 December 2024 being not exceeding 100,000, after taking into account, among others, that the transactions which would not be performed by the Company on its own having regarded to the Company's targeted capital capacity;
- (ii) the estimated average financing amount of such automobile purchase financing transactions, with reference to the average financing amount of the SAIC Financing Business Provider for each of the three years ended 31 December 2021 and for the six months ended 30 June 2022 being approximately RMB80,000, RMB83,000, RMB82,000 and RMB86,000 respectively; and
- (iii) the estimated average Financial Service Fees rate of each automobile purchase financing transaction ranging from approximately 1.0% to 5.0% with reference to the average fee rates of other industry players for similar services.

Reasons for and Benefits of Entering into the Automotive Financial Services Framework Agreement

- (i) The provision of consultation services relating to automobile finance business to customers in the PRC is in line with the approved business scope of the Company. The provision of Financial Services to SAIC Motor Group would result in more business leads, allow the Company to deploy its existing resources to create new income stream and increase the revenue to the Company.
- (ii) By providing consultation services, it would also enhance the Company's understanding of latest market trend and development of the automobile finance industry which would facilitate the Company to develop and enhance its own business strategies. It is expected that the Company would be able to leverage on its experience and industry insights to satisfy the business needs of both the Company and SAIC Motor Group.
- (iii) The proposed entering into of the Automotive Financial Services Framework Agreement is to formalise the Financial Services to be provided by the Company to SAIC Motor Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SAIC Motor holds 1,912,248,601 Shares (representing 89.37% of the total issued share capital of the Company), and among such number of Shares, 392,248,601 H Shares of which remained in the course of administrative licensing procedures pursuant to Articles 42 and 114 of the Implementation Measures for Administrative Licensing Items of Non-banking Financial Institutions of the CBIRC (2020 No. 6)* (《中國銀保監會非銀行金融機構行政許可事項實施辦法》(2020年第6號)), whereby the relevant shareholder rights (including voting rights) of SAIC Motor may not be exercised before obtaining the approval from the relevant regulatory authorities. Therefore, SAIC Motor controls voting rights in respect of 1,520,000,000 Shares as at the date of this announcement and is a controlling shareholder and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Loan-related Services under the Automotive Loan Services Framework Agreement, as one or more of the applicable percentage ratios of the transactions exceed 5%, the transactions relating to the Loan-related Services under the Automotive Loan Services Framework Agreement are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Financial Services under the Automotive Financial Services Framework Agreement, as one or more of the applicable percentage ratios of the transactions exceed 5%, the transactions relating to the Financial Services under the Automotive Financial Services Framework Agreement are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

To ensure that the transactions between the Company and SAIC Motor Group are conducted in accordance with the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement, and the requirements of Chapter 14A of the Listing Rules, the Company will adopt the following internal control measures:

- (i) The service fees are negotiated on arm's length basis and are set with reference to the prevailing market prices of the comparable products and/or services. This would ensure that the service fees would not be less favourable to the Company than those available from independent third parties.

- (ii) For the purposes of observance and monitoring the Company's internal control and pricing policies, the market conditions and the prevailing market prices including the pricings of the contemporaneous transactions with independent third parties in respect of comparable products and/or services will be reviewed and monitored on a semi-annual basis.
- (iii) The business and operational departments are responsible for the analysis, proposal and review of the pricing policies, payment terms and other business-related matters between the Company and its connected persons, and will semi-annually monitor the prevailing market price for the service fees and submit an update on the relevant prevailing market price to the management of the Company for review.
- (iv) The finance department is responsible for the review of invoices and payment amounts and to ensure that the amounts of service fees incurred are consistent with the Company's pricing policies. It will also conduct regular checks on a semi-annual basis to review and assess whether the continuing connected transactions contemplated under each of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement are conducted in accordance with the terms of the relevant agreements.
- (v) The finance department will prepare a summary for continuing connected transactions periodically and organise meetings semi-annually to review and consider whether the relevant continuing connected transactions are conducted in accordance with the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement. After the summary for continuing connected transactions being reviewed by the relevant departments and the management, it will be submitted to the Audit Committee and the Board for further review.
- (vi) The finance department will monitor the utilization of the annual cap amounts allocated by the Company and as approved by the Shareholders (the "**Approved Amount**"). In the event that the annual transaction amount of the respective framework agreements reaches a certain percentage of the Approved Amount, or is expected to exceed the Approved Amount, the business and operational departments and the management shall be informed immediately and the Company shall determine the appropriate actions to be taken, including but not limited to (a) review the accumulative annual transaction amount and consider whether any transactions should be carried out without exceeding the Approved Amount; (b) inform the management of the Company not to enter into any further transactions; or (c) revise the Approved Amount and comply with the relevant requirements of the Listing Rules.
- (vii) The Company's auditors will conduct an annual review of the pricing and the annual caps of the continuing connected transactions.

- (viii) The Audit Committee will periodically review the analysis reports and summary of continuing connected transactions.
- (ix) The independent non-executive Director will conduct an annual review of the implementation and enforcement of the continuing connected transactions.

The Board is of the view that the above methods and procedures can ensure that the pricing and other terms for the continuing connected transactions contemplated under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Further, the Board considers that the methods and procedures described above will ensure that there should be no material difference between the pricing arrangements under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement, and those with independent third parties, thereby ensuring that the service fees are on normal commercial terms, and no less favourable to the Company than those available to or from independent third parties under the same or similar conditions.

GENERAL INFORMATION OF THE PARTIES

Information in relation to the Company

The Company is a joint stock company incorporated in the PRC with limited liability, the H shares of the Company are listed on the Stock Exchange. The Company is an auto finance company licensed and regulated by the CBIRC. The Company's principal business comprises automotive loan business where it provides loans, direct leasing products and other financial services such as consultation services relating to automobile finance business to end customers, major customers and corporate clients for purchases of vehicles in the PRC.

Information in relation to SAIC Motor

SAIC Motor is a company established in the PRC and listed on the Shanghai Stock Exchange, with stock code 600104. SAIC Motor is a leading automobile group in the PRC which sold approximately 5.46 million units of automobiles and recorded revenue of approximately 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. As at the date of this announcement, Shanghai Automotive Industry Corporation (Group) is the controlling shareholder of SAIC Motor, and Shanghai Automotive Industry Corporation (Group) is in turn wholly-owned by Shanghai SASAC.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder.

The Company has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder.

GENERAL

The Company will convene the EGM, at which resolutions will be proposed for, among other things, the Independent Shareholders to approve the Automotive Loan Services Framework Agreement, the Automotive Financial Services Framework Agreement and transactions contemplated thereunder (including the respective proposed annual caps).

As at the date of this announcement, SAIC Motor and its associates, holding approximately 89.37% of the issued share capital of the Company, will abstain from voting at the EGM as required by the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for SAIC Motor and its associates, no Shareholder is required to abstain from voting on the resolutions in relation to continuing connected transactions to be considered at the EGM.

As at the date of this announcement, none of the Directors has a material interest in the continued connected transactions contemplated under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and hence no Directors is required to abstain from voting on the relevant Board resolutions.

The Board (excluding independent non-executive Directors who will advise the Independent Shareholders after taking into account the advice from Somerley) is of the view that the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the related annual caps are entered into on normal commercial terms and thus fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing among others, (i) details of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee in relation to the continuing connected transactions; (iii) the letter from the Independent Financial Adviser in relation to the continuing connected transactions; (iv) other information as required under the Listing Rules; and (iv) a notice of the EGM will be despatched to the Shareholders in due course.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auction”	the auction of the Sale Shares through the online platform (www.jd.com) 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 which took place between 10 a.m. on 18 May 2022 and 10 a.m. on 19 May 2022
“Automotive Financial Services Framework Agreement”	the automotive financial services framework agreement entered into between the Company and SAIC Motor on 7 December 2022
“Automotive Loan Services Framework Agreement”	the automotive loan services framework agreement entered into between the Company and SAIC Motor on 7 December 2022
“Board”	the board of Directors
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“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 Main Board of the Stock Exchange (Stock Code: 2718)
“Completion Announcement”	the joint announcement of the Company and SAIC Motor dated 5 August 2022
“Composite Document”	the composite offer and response document jointly issued by the Company and SAIC Motor dated 15 September 2022

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the issued ordinary share(s) 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 RMB
“EGM”	an extraordinary general meeting (or any adjournment thereof) of the Company to be convened for the purposes of considering and, if thought fit, approving the Automotive Loan Services Framework Agreement, the Automotive Financial Services Framework Agreement and transactions contemplated thereunder (including the respective proposed annual caps)
“Financial Service Fees”	the service fees to be paid by SAIC Motor Group to the Company in respect of the Financial Services to be provided by the Company pursuant to the Automotive Financial Services Framework Agreement
“Financial Services”	the consultation services relating to purchases of vehicles in the PRC to be provided by the Company to SAIC Motor Group to assist members of the SAIC Motor Group in the provision of automotive financing business pursuant to the Automotive Financial Services Framework Agreement
“H Share(s)”	the issued ordinary share(s) 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
“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
“Independent Board Committee”	means the Board committee, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder

“Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders on the terms of the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholder(s), other than SAIC Motor and its associates as well as any other Shareholder who has a material interest in the transactions contemplated under the Automotive Loan Services Framework Agreement and the Automotive Financial Services Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan-related Service Fees”	the service fees to be paid by the Company to SAIC Motor Group in consideration of the Loan-related Services to be provided by SAIC Motor Group pursuant to the Automotive Loan Services Framework Agreement
“Loan-related Services”	the services to be provided by SAIC Motor Group to the Company pursuant to the Automotive Loan Services Framework Agreement
“PRC” or “China”	the People’s Republic of China, but for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“SAIC Motor”	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)
“SAIC Motor Group”	SAIC Motor and its subsidiaries (excluding the Company)
“Sale Shares”	1,520,000,000 Unlisted Foreign Shares in the Company, representing approximately 71.04% of the issued share capital of the Company and 100% of the Unlisted Foreign Shares as at the date of this announcement

“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“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)
“Share(s)”	ordinary shares in the share capital of the Company, including Domestic Shares, Unlisted Foreign Shares and H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unlisted Foreign Share(s)”	the Share(s) which are subscribed for or credited as fully paid in foreign currency and originally issued to foreign investor(s)
“%”	per cent.

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

Shanghai, 7 December 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, Ms. Liang Yanjun and Mr. Qin Zheng as independent non-executive Directors.

* *For identification purposes only*