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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 year ended 31 December 2022, it is expected that the Company will record an unaudited net profit ranging from RMB108 million to RMB162 million for the year ended 31 December 2022, as compared to the audited net loss of approximately RMB840 million for the year ended 31 December 2021.

Based on the preliminary assessment of the Company on the expected credit loss of its loans and advances to customers, bills receivable and other financial assets, including the repayments of certain overdue receivables from customers of over RMB1.7 billion in 2022, the Company is expected to record a reversal of impairment losses under expected credit loss model ranging from RMB505 million to RMB559 million for the year ended 31 December 2022 as compared to recognition of impairment losses under expected credit loss model of approximately RMB1,316 million for the year ended 31 December 2021. 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 RMB130 million.

As the Company's annual results for the year ended 31 December 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 year ended 31 December 2022 is expected to be published on or around 29 March 2023.

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.*
Wu Zheng
General Manager and Executive Director

Shanghai, 17 March 2023

As at the date of this announcement, the Board comprises Ms. Xu Ying as chairlady and non-executive Director; Mr. Wu Zheng as general manager and executive Director; Dr. Zhou Qi and Ms. Lin Weihua 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*