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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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINAL RESULTS

The Board of Shanghai Dongzheng Automotive Finance Co., Ltd.* hereby announces the audited annual results of the Company for the year ended 31 December 2022, together with the comparative figures for the corresponding period in 2021, which shall be read in conjunction with the management discussion and analysis below.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest income		150,558	343,818
Interest expenses		<u>—</u>	<u>(63,499)</u>
Net interest income	2	<u>150,558</u>	<u>280,319</u>
Fee and commission income		17,315	34,503
Fee and commission expenses		<u>(290)</u>	<u>(785)</u>
Net fee and commission income	3	<u>17,025</u>	<u>33,718</u>
Other net (expenses) income	4	<u>(4,902)</u>	<u>2,083</u>
Operating income		162,681	316,120
Operating expenses		(115,719)	(118,518)
Reversal (recognition) of impairment losses under expected credit loss model		531,714	(1,316,448)
Finance costs		<u>(605)</u>	<u>(1,276)</u>
Profit (loss) before tax	5	578,071	(1,120,122)
Income tax	6	<u>(442,974)</u>	<u>280,029</u>
Profit (loss) and total comprehensive income (expense) for the year		<u>135,097</u>	<u>(840,093)</u>
Earnings (loss) per share			
Basic and diluted (RMB)	7	<u>0.0631</u>	<u>(0.3926)</u>

STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	<i>Notes</i>	2022 RMB'000	2021 <i>RMB'000</i>
Assets			
Deposits with central bank		491	487
Deposits with banks		2,861,602	255,403
Loans and advances to customers	<i>8</i>	554,939	2,439,894
Finance lease receivables	<i>9</i>	14	4,616
Bills receivable	<i>10</i>	—	175,548
Property and equipment		6,565	16,591
Intangible assets		1,156	7,417
Deferred tax assets		20,275	449,475
Tax recoverables		12,143	—
Other assets		15,141	26,340
Total assets		3,472,326	3,375,771
Liabilities			
Guarantee deposits		24,423	3,649
Lease liabilities	<i>11</i>	4,282	13,582
Tax payables		—	26,398
Other liabilities		84,057	107,675
Total liabilities		112,762	151,304
NET ASSETS		3,359,564	3,224,467
CAPITAL AND RESERVES			
	<i>12</i>		
Share capital	<i>12(b)</i>	2,139,651	2,139,651
Reserves		1,219,913	1,084,816
TOTAL EQUITY		3,359,564	3,224,467

NOTES TO THE FINANCIAL STATEMENTS

1. CHANGES IN ACCOUNTING POLICIES

In the current year, the Company has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Company’s annual period beginning on 1 January 2022 for the preparation of the financial statements:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment — Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018–2020</i>

The application of the amendments to HKFRSs in the current year has had no material impact on the Company’s financial positions and performance for the current and prior years and/or on the disclosures set out in the financial statements.

2. NET INTEREST INCOME

	2022	2021
	<i>RMB’000</i>	<i>RMB’000</i>
Interest income arising from		
Loans and advances to customers	137,225	339,711
Deposits with central bank and other banks	13,043	2,939
Finance lease receivables	290	1,168
	<hr/>	<hr/>
Sub-total	150,558	343,818
	<hr/>	<hr/>
Interest expenses arising from		
Placements from banks	—	(63,499)
	<hr/>	<hr/>
Sub-total	—	(63,499)
	<hr/>	<hr/>
Net interest income	150,558	280,319
	<hr/> <hr/>	<hr/> <hr/>

3. NET FEE AND COMMISSION INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Fee and commission income arising from		
Joint loan services	16,645	30,924
Others	<u>670</u>	<u>3,579</u>
Sub-total	<u>17,315</u>	<u>34,503</u>
Fee and commission expenses arising from		
Bank charges	<u>(290)</u>	<u>(785)</u>
Net fee and commission income	<u>17,025</u>	<u>33,718</u>

4. OTHER NET (EXPENSES) INCOME

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Net exchange (losses) gains		(3,364)	1,068
Government grants	<i>(i)</i>	23	3
Others	<i>(ii)</i>	<u>(1,561)</u>	<u>1,012</u>
Total		<u>(4,902)</u>	<u>2,083</u>

Notes:

- (i) The government grants were received unconditionally by the Company from the local government.
- (ii) "Others" mainly represents loss on write off and disposal of property and equipment and intangible assets and refund of court charges.

5. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year is arrived at after (crediting) charging:

(a) Staff costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Salaries, bonuses and allowances	45,299	51,094
Other social welfare	5,142	6,121
Retirement benefit scheme contribution	4,657	5,529
Total	55,098	62,744

(b) (Reversal) recognition of impairment losses under ECL model

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Loans and advances to customers	(453,641)	1,191,733
Finance lease receivables	963	2,997
Bills receivable	(75,235)	75,235
Other assets	(3,801)	46,483
Total	(531,714)	1,316,448

(c) Other items

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Depreciation and amortisation		
— right-of-use assets	8,228	9,263
— intangible assets	3,741	4,463
— property and equipment other than right-of-use assets	1,985	2,646
Auditor's remuneration	2,060	3,600
Expense relating to short-term leases and leases of low-value assets	1,266	135
Interest expense on lease liabilities	605	1,276

6. INCOME TAX

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax	(13,769)	(57,086)
(Under) over provision in respect of prior years	<u>(5)</u>	<u>143</u>
Sub-total	<u>(13,774)</u>	<u>(56,943)</u>
Deferred tax — current year	<u>(429,200)</u>	<u>336,972</u>
Total	<u>(442,974)</u>	<u>280,029</u>

The Company is subject to the PRC enterprise income tax (“EIT”) at the statutory tax rate of 25%, pursuant to the EIT Law and the Implementation Regulations of the EIT Law of the PRC, for both years.

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB135,097 thousand (2021: loss of RMB840,093 thousand) and the weighted average of 2,139,651 thousand ordinary shares (2021: 2,139,651 thousand ordinary shares) in issue during the year, which is set out as follows:

	2022	2021
Profit (loss) attributable to ordinary equity shareholders of the Company (RMB'000)	135,097	(840,093)
Weighted average number of ordinary shares issued (in thousands)	2,139,651	2,139,651
Basic and diluted earnings (loss) per share attributable to shareholders (RMB)	<u>0.0631</u>	<u>(0.3926)</u>

There were no dilutive potential ordinary shares for the years ended 31 December 2022 and 2021. Therefore, diluted earnings (loss) per share are equivalent to basic earnings (loss) per share.

8. LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Retail loans	626,288	1,516,458
Dealer loans	<u>1,141,250</u>	<u>2,581,294</u>
Gross loans and advances to customers	1,767,538	4,097,752
Accrued interest	<u>1,452</u>	<u>4,226</u>
Sub-total	1,768,990	4,101,978
Less: allowances for impairment losses	<u>(1,214,051)</u>	<u>(1,662,084)</u>
Net loans and advances to customers	<u><u>554,939</u></u>	<u><u>2,439,894</u></u>

The Company's retail loans provided to automotive end customers to facilitate their purchase of passenger vehicles.

The Company's dealer loans provided to automobile dealers to facilitate their purchase of vehicles and accessories.

Loans and advances to customers are with fixed interest rate ranging from 6.50% to 15.48% (2021: from 6.50% to 15.48%) per annum.

(b) Overdue loans (excluding accrued interest) analysed by type of collateral and overdue period

	31 December 2022				Total <i>RMB'000</i>
	Overdue within 3 months (inclusive) <i>RMB'000</i>	Overdue more than 3 months to 6 months (inclusive) <i>RMB'000</i>	Overdue more than 6 months to one year (inclusive) <i>RMB'000</i>	Overdue more than one year <i>RMB'000</i>	
Collateralised loans	5,025	1,672	6,410	55,558	68,665
Guaranteed loans	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,141,250</u>	<u>1,141,250</u>
Total	<u><u>5,025</u></u>	<u><u>1,672</u></u>	<u><u>6,410</u></u>	<u><u>1,196,808</u></u>	<u><u>1,209,915</u></u>

	31 December 2021				Total RMB'000
	Overdue within 3 months (inclusive) RMB'000	Overdue more than 3 months to 6 months (inclusive) RMB'000	Overdue more than 6 months to one year (inclusive) RMB'000	Overdue more than one year RMB'000	
Collateralised loans	13,722	32,511	26,927	2,608	75,768
Guaranteed loans	—	2,067,611	513,683	—	2,581,294
Total	13,722	2,100,122	540,610	2,608	2,657,062

Repayment of loans is to follow contractual repayment schedule. Under the circumstance that any of loans' principal or interest is overdue according to the contractual repayment schedule, the entire loans balance is classified as overdue loan. All amounts are shown as gross amount of overdue loans and advances to customers before any impairment losses under ECL model.

(c) **Analysed by methods for assessing impairment losses under ECL model**

	31 December 2022			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL for not credit-impaired RMB'000	Stage 3 Lifetime ECL for credit-impaired RMB'000	
Gross loans and advances to customers (including accrued interest)	559,075	4,202	1,205,713	1,768,990
Less: allowances for impairment losses	(7,195)	(1,383)	(1,205,473)	(1,214,051)
Net loans and advances to customers	551,880	2,819	240	554,939
Provision ratio	1.29%	32.91%	99.98%	

	31 December 2021			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL for not credit-impaired RMB'000	Stage 3 Lifetime ECL for credit-impaired RMB'000	
Gross loans and advances to customers (including accrued interest)	1,444,916	8,616	2,648,446	4,101,978
Less: allowances for impairment losses	(18,340)	(3,545)	(1,640,199)	(1,662,084)
Net loans and advances to customers	1,426,576	5,071	1,008,247	2,439,894
Provision ratio	1.27%	41.14%	61.93%	

9. FINANCE LEASE RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Minimum finance lease receivables	9,484	13,527
Less: unearned finance lease income	<u>(17)</u>	<u>(316)</u>
Present value of finance lease receivables	9,467	13,211
Less: allowances for impairment losses	<u>(9,453)</u>	<u>(8,595)</u>
Total	<u><u>14</u></u>	<u><u>4,616</u></u>

The Company entered into finance lease arrangements as a lessor for motor vehicles. The average terms of finance leases entered into usually range from 2 to 5 years. All interest rates inherent in the leases are fixed at the contract date over the lease terms. Finance lease receivables are secured over the assets leased. The Company is not permitted to sell or repledge the collateral in the absence of default by lessee.

- (a) Finance lease receivables, unearned finance lease income and minimum finance lease receivables analysed by remaining period are listed as follows:

	31 December 2022		
	Minimum finance lease receivables <i>RMB'000</i>	Unearned finance lease income <i>RMB'000</i>	Present value of finance lease receivables <i>RMB'000</i>
Within 1 year (inclusive)	<u>9,484</u>	<u>(17)</u>	<u>9,467</u>
Sub-total	<u><u>9,484</u></u>	<u><u>(17)</u></u>	<u>9,467</u>
Less: allowances for impairment losses			<u>(9,453)</u>
Total			<u><u>14</u></u>
	31 December 2021		
	Minimum finance lease receivables <i>RMB'000</i>	Unearned finance lease income <i>RMB'000</i>	Present value of finance lease receivables <i>RMB'000</i>
Within 1 year (inclusive)	12,314	(290)	12,024
After 1 year but within 2 years (inclusive)	<u>1,213</u>	<u>(26)</u>	<u>1,187</u>
Sub-total	<u><u>13,527</u></u>	<u><u>(316)</u></u>	13,211
Less: allowances for impairment losses			<u>(8,595)</u>
Total			<u><u>4,616</u></u>

10. BILLS RECEIVABLE

As of the end of the reporting period, the ageing analysis of commercial bills receivable is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 month (inclusive)	—	250,783
Less: allowances for impairment losses	—	(75,235)
Total	<u>—</u>	<u>175,548</u>
		Stage 3 Lifetime ECL for credit-impaired <i>RMB'000</i>
At 1 January 2021		—
Recognition of impairment losses under ECL model		<u>75,235</u>
At 31 December 2021		75,235
Reversal of impairment losses under ECL model		<u>(75,235)</u>
At 31 December 2022		<u>—</u>

11. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Company's lease liabilities:

	31 December 2022		31 December 2021	
	Present value of the minimum lease payments <i>RMB'000</i>	Total minimum lease payments <i>RMB'000</i>	Present value of the minimum lease payments <i>RMB'000</i>	Total minimum lease payments <i>RMB'000</i>
Within 1 year (inclusive)	<u>4,282</u>	<u>4,406</u>	<u>9,370</u>	<u>9,975</u>
After 1 year but within 2 years (inclusive)	<u>—</u>	<u>—</u>	<u>4,212</u>	<u>4,332</u>
	<u>4,282</u>	<u>4,406</u>	<u>13,582</u>	<u>14,307</u>
Less: total future interest expenses		<u>(124)</u>		<u>(725)</u>
Present value of lease liabilities		<u>4,282</u>		<u>13,582</u>

The weighted average incremental borrowing rates applied to lease liabilities range from 4.00% to 6.80% (2021: from 6.62% to 6.80%) per annum.

12. CAPITAL AND RESERVES

(a) Dividends

No dividend was declared or paid to equity shareholders of the Company attributable to the years ended 31 December 2022 and 2021.

(b) Share capital of the Company

	31 December 2022		31 December 2021	
	Number of shares <i>thousand</i>	Nominal Value <i>RMB'000</i>	Number of shares <i>thousand</i>	Nominal Value <i>RMB'000</i>
Unlisted Foreign Shares	1,520,000	1,520,000	1,520,000	1,520,000
Domestic Shares	80,000	80,000	80,000	80,000
H Shares	539,651	539,651	539,651	539,651
Total	<u>2,139,651</u>	<u>2,139,651</u>	<u>2,139,651</u>	<u>2,139,651</u>

As at 1 January 2021 and 31 December 2021 and 2022, the Company's aggregate share capital was RMB2,139,651,400 divided into 2,139,651,400 ordinary shares of the Company at RMB1 each, representing 539,651,400 H Shares (Note), 80,000,000 Domestic Shares (Note) and 1,520,000,000 Unlisted Foreign Shares (Note).

Note:

Unlisted Foreign Shares being issued ordinary shares of the Company with a nominal value of RMB1 each, which are subscribed for or credited as fully paid in foreign currency and originally issued to persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange.

Domestic Shares being issued ordinary shares of the Company with a nominal value of RMB1 each, which are subscribed for or credited as fully paid in RMB and originally issued by the Company to domestic investor(s) for subscription in RMB.

H shares being issued ordinary shares of the Company with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Stock Exchange.

13. SEGMENT REPORTING

(a) Business segment

The Company manages its businesses by business segments. In a manner consistent with the way in which information is reported internally to the Company's most senior executive management for the purposes of resource allocation and performance assessment, the Company has presented the following reportable segments:

- Retail business: this segment represents the Company's retail business provided to automotive end customers. The Company's retail business facilitates its customers' purchase of passenger vehicles. These products and services include i) direct loans where the Company grants automobile retail loans to customers with its own funding and charge customers interests on the loans; ii) loan facilitation services; iii) joint loan arrangement; and iv) direct lease services; and
- Dealer loans business: This segment represents the Company's dealer loans provided to automobile dealers to facilitate their purchase of vehicles and accessories.

	For the year ended 31 December 2022		
	Retail business RMB'000	Dealer loans business RMB'000	Total RMB'000
Net interest income	74,226	63,289	137,515
Net fee and commission income	17,025	—	17,025
Reversal of impairment losses under ECL model	<u>19,799</u>	<u>512,006</u>	<u>531,805</u>
Segment profit	<u>111,050</u>	<u>575,295</u>	686,345
Unallocated net interest income			13,043
Unallocated recognition of impairment losses under ECL model			(91)
Other net expenses			(4,902)
Depreciation and amortisation			(13,954)
Other operating expenses			(101,765)
Finance costs			<u>(605)</u>
Profit before tax			<u>578,071</u>

	As at 31 December 2022		
	Retail business <i>RMB'000</i>	Dealer loans business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets			
Loans and advances to customers	554,939	—	554,939
Finance lease receivables	14	—	14
Other assets	1,321	—	1,321
	<u>556,274</u>	<u>—</u>	<u>556,274</u>
Segment assets			
Unallocated other assets			13,820
Other unallocated assets			<u>2,902,232</u>
Total assets			<u>3,472,326</u>
Segment liabilities			
Guarantee deposits	(24,423)	—	(24,423)
Other liabilities	(20,243)	—	(20,243)
	<u>(44,666)</u>	<u>—</u>	<u>(44,666)</u>
Segment liabilities			
Unallocated other liabilities			(63,814)
Other unallocated liabilities			<u>(4,282)</u>
Total liabilities			<u><u>(112,762)</u></u>

	For the year ended 31 December 2021		
	Retail business <i>RMB'000</i>	Dealer loans business <i>RMB'000</i>	Total <i>RMB'000</i>
Net interest income	178,224	99,156	277,380
Net fee and commission income	33,718	—	33,718
Reversal (recognition) of impairment losses under ECL model	16,240	(1,332,688)	(1,316,448)
Segment profit	<u>228,182</u>	<u>(1,233,532)</u>	(1,005,350)
Unallocated net interest income			2,939
Other net income			2,083
Depreciation and amortisation			(16,372)
Other operating expenses			(102,146)
Finance costs			<u>(1,276)</u>
Loss before tax			<u><u>(1,120,122)</u></u>
	As at 31 December 2021		
	Retail business <i>RMB'000</i>	Dealer loans business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets			
Loans and advances to customers	1,431,863	1,008,031	2,439,894
Finance lease receivables	4,616	—	4,616
Bills receivable	—	175,548	175,548
Other assets	4,378	11,103	15,481
Segment assets	<u>1,440,857</u>	<u>1,194,682</u>	2,635,539
Unallocated other assets			10,859
Other unallocated assets			<u>729,373</u>
Total assets			<u><u>3,375,771</u></u>
Segment liabilities			
Guarantee deposits	(3,649)	—	(3,649)
Other liabilities	(51,423)	(6)	(51,429)
Segment liabilities	<u>(55,072)</u>	<u>(6)</u>	(55,078)
Unallocated other liabilities			(56,246)
Other unallocated liabilities			<u>(39,980)</u>
Total liabilities			<u><u>(151,304)</u></u>

All assets are allocated to operating segments other than deposits with central bank, deposits with banks, property and equipment, intangible assets, deferred tax assets, tax recoverables, deposits, value-added and surcharges tax recoverables and prepayments included in other assets; and all liabilities are allocated to operating segments other than lease liabilities, tax payables and other liabilities mainly except for payables of joint loans and others.

Since 2021, the Company did not grant new dealer loans and all existing loans related to this business were matured gradually since after. As at 31 December 2022, all the outstanding dealer loans are credit-impaired under the ECL model with provision ratio of 100%. Therefore, the Company still reports the segment result for the year ended 31 December 2022, while no balances of segment assets/liabilities with respect to the deal loans business as at 31 December 2022 has been reported accordingly. The distinguishment of the Company's dealer loans business during the year, in this regards, does not constitute a discontinued operation.

(b) Geographical information

Geographically, the Company conducts its business in the PRC. The non-current assets including mainly property and equipment and intangible assets are located in the PRC as well.

(c) Information about major customers

During the years ended 31 December 2022 and 2021, there was no revenue from transactions with a single external customer amounting to 10% or more of the Company's total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an automotive finance company licensed and regulated by the CBIRC. The Company's principal business comprises automotive loan business where the Company provides loans, direct leasing products and other financial services to end customers, major customers and corporate clients for purchases of vehicles in the PRC.

Despite the impact of chip supply shortage, cost increase of raw materials as well as resurgence of COVID-19 pandemic in many places in the PRC which caused relatively material impact on the industry chain and supply chain of China's automobile industry, it achieved positive growth under such adversity in 2022 with the support of a series of policies implemented by the PRC government to stabilize growth and promote consumption. According to the China Association of Automobile Manufacturers, the production and sales volume of vehicles in China in 2022 increased by 3.4% and 2.1% year-on-year, while the production and sales volume of passenger vehicles achieved a year-on-year increase of 11.2% and 9.5%, respectively.

As for the auto finance industry, automotive finance companies, as licensed institutions, are subject to the strict regulation of the CBIRC. As at 31 December 2022, there are 25 (31 December 2021: 25) licensed automotive finance companies in China, all of which are in competition with commercial banks, financial leasing companies and internet finance companies. Automotive finance companies, being in close business relationship with automobile manufacturers and dealers, deliver enhanced product offerings and better services to customers. During the year, the Company's partnership-based dealer network covered more than 200 cities in China. As at 31 December 2022, the Company has over 500 partnership-based dealers. Furthermore, these sales channels enable close engagement with a consumption demographic. The strength of the Company's sales network and reasonably established market presence has enabled the Company to introduce better customer experience and services to the consumers.

Having considered factors including overall economic environment, industry situation and the pandemic, there is a decrease in consumer sentiment and an increase in credit risk as a result of the slowdown of China's economy growth, the increase in unemployment rate, coupled with the concerns about the future reoccurrence of the pandemic. The Company has been prudently managing business risks, focusing on improving loan quality and loan collection, as well as reducing loan disbursement and loan portfolio since 2021, so as to preserve its capital capability for active loan disbursements when the economy recovers. For the year ended 31 December 2022, the number and amount of retail loans disbursed by the Company decreased, of which the amount of self-operated loans disbursed being RMB101 million, representing a decrease of 76% as compared with RMB427 million in the last year. In addition, in response to the fluctuation in the overall domestic credit environment, the Company reduced its loan portfolio as well as the need for external financing, and kept placements from bank to zero in 2022.

As a result, the Company's gross loans and advances to customers decreased by 57% to RMB1.77 billion as at 31 December 2022 from RMB4.10 billion as at 31 December 2021. For the year ended 31 December 2022, the Company's net interest income amounted to RMB151 million, representing a decrease of 46% as compared to 2021. The Company's operating income amounted to RMB163 million in 2022, representing a decrease of 49% as compared to last year. The Company recorded a net profit of RMB135 million in 2022 as compared to a net loss of RMB840 million in 2021. The major reason leading to the turnaround of the Company was, based on the 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 recorded a reversal of impairment losses under the expected credit loss model of approximately RMB532 million for the year ended 31 December 2022 as compared to recognition of impairment losses under the expected credit loss model of approximately RMB1,316 million for the year ended 31 December 2021. However, such improvement was partly offset mainly by the 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 its loan portfolio since 2021, leading to a decrease in net interest income of approximately RMB130 million.

Due to the impact of COVID-19 pandemic on the number of new loan customers of the Company, coupled with the normal maturity and settlement of existing customers, the number of Company's existing loan customers was approximately 14.6 thousand as of 31 December 2022.

In terms of retail loans, the Company disbursed a total of 413 retail loans throughout 2022, representing a decrease of 95% over that of 2021. The amount of loans disbursed was RMB101 million, representing a decrease of 76% as compared with 2021. The decreases were mainly due to the impact of the pandemic, and the cautious loan disbursement strategy adopted by the Company.

In terms of dealer loans business, no loan was disbursed throughout 2022 due to the suspension of the dealer loans business by the Company. As of 31 December 2022, the loan balance was RMB1.14 billion, representing a decrease of approximately 56% as compared to that at the end of 2021, which was mainly due to the loan recovery by the Company.

	For the year ended	
	31 December	
	2022	2021
Amount of self-operated retail loans disbursed (RMB million)	101	427
Number of self-operated retail loans disbursed	413	8,735
Including: Standard self-operated loans	412	3,080
Joint loans	1	5,655

For the purposes of risk management, the Company has established and will continue to improve the credit risk management system to identify, assess, measure, monitor, mitigate and control risks that may arise from its loan disbursement process. The Company has also developed a series of policies and procedures for loan application review and approval, loan disbursement as well as post-disbursement management.

The Company's overall credit risk management are reflected through a variety of measures under different phases, including but not limited to:

Loan application review and approval phase

- reviewing loan application materials (including, among others, the applicants' identification materials, business license (if any), driving-related materials, and other requisite application materials (if needed); conducting necessary preliminary authentication of the identity of the loan applicants by the Company's Retail Business Department; leveraging on the third-party databases (such as the national enterprise credit information, Ministry of Public Security identity information platform, etc.), searching information and assessing the authenticity of the applicants' identity, the authenticity of the purchase, and the applicants' willingness and ability to repay the loan
- approving, denying or granting conditional approval to the loan applications based on the review of the loan applicants' credit profile or credit line by the Company's Retail Business Department, the Loan Approval Committee, the Risk Management Committee and/or the Board

Loan disbursement phase

- executing and entering into loan agreements and proceeding with loan disbursements

Post-disbursement management phase

- providing customer service by the Company's Operational Department, and actively monitoring the loans after disbursement by the Company's Risk Management Department. For those customers with overdue loans, the Company will carry out loan collection through legal and compliant loan collection procedures, or judicial proceedings

The Company has also strengthened its risk management and control capacity with focuses on risk policies, risk monitoring and other aspects, including (1) optimizing of risk policies, refining management of channel classification, actively taking risk investigation and post-loan review, strengthening risk monitoring to control the assets quality for the newly disbursed loans; and (2) applying statistical principles and machine learning algorithms to optimize the data-based risk control model and enhance the ability of automated approval system to identify fraud risk and credit risk for retail customers.

Completion of Change in Controlling Shareholder

On 29 January 2022, the Company was informed by ZhengTong that on 29 January 2022, ZhengTong received a ruling on administrative proceeding and a notice of property preservation (collectively, the “Relevant Rulings”) issued by Shanghai Financial Court of the PRC. According to the Relevant Rulings, a collegial panel constituted by the Shanghai Financial Court has completed its examination and ruled that: (i) the Administrative Decision of CBIRC Shanghai Office (Hu Yin Bao Jian Tong [2020] No. 41) (the “Administrative Decision”) be enforced, whereby ZhengTong’s equity interests in the Company be liquidated through auction; and (ii) a preservation ruling (the “Freezing Ruling”) be imposed over ZhengTong’s equity interests in the Company, being 1.52 billion unlisted shares in the Company and any dividends held in the Company for a period between 26 January 2022 and 25 January 2025 (the “Freezing Period”).

In addition, the Company received a notice of assistance in enforcement ((2022) Hu 74 Cai Bao No. 1) issued by Shanghai Financial Court of the PRC on 30 January 2022 (the “Notice of Assistance in Enforcement”), which stated that the Company is required to assist in enforcing the following matters: (a) before the Company implements any capital increase, capital reduction, merger, demerger, etc. that will have a significant impact on the proportion of the shares held by ZhengTong in the Company that are the subject of the Freezing Ruling and the value thereof, the Company shall report the relevant information to Shanghai Financial Court of the PRC; and (b) preservation of any dividends, bonuses and other proceeds which may be payable by the Company to ZhengTong, and the Company shall notify Shanghai Financial Court of the PRC when such proceeds are due. The preservation period shall be three years from the receipt of the Notice of Assistance in Enforcement. Any direct payment or payment in other forms made by the Company to ZhengTong after the imposition of the Freezing Ruling shall not affect Shanghai Financial Court’s claim against the Company for such payment. The Company has complied with the requirements of the Administrative Decision and the Notice of Assistance in Enforcement.

On 19 May 2022, SAIC Motor won the auction at the bid price of RMB1,606,812,970 (equivalent to HK\$1,899,101,391) to acquire the 1.52 billion Unlisted Foreign Shares (the “Acquisition”). On 4 August 2022, SAIC Motor has completed the Acquisition and become the controlling Shareholder. On 6 October 2022, SAIC Motor has completed the unconditional mandatory general offers in cash (the “Offers”) for all the issued Domestic Shares and H Shares not already owned or agreed to be acquired by the SAIC Motor and its concert parties in accordance with the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong. SAIC Motor and its concert parties held 1,912,248,601 Shares (including 392,248,601 H Shares and 1,520,000,000 Unlisted Foreign Shares) as at the date of closing of the Offers, representing in aggregate approximately 89.37% of all the issued Shares. For details, please refer to the joint announcements dated 26 May 2022, 13 June 2022, 5 August 2022, 11 August 2022, 15 September 2022 and 6 October 2022, and the composite document dated 15 September 2022 jointly issued by the Company and SAIC Motor.

FINANCIAL REVIEW

Net Interest Income

The Company's net interest income decreased by 46% to approximately RMB151 million in 2022 from approximately RMB280 million in 2021.

Set out below are the comparative figures for the year ended 31 December 2022 and 2021.

	For the year ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income		
Loans and advances to customers	137,225	339,711
Deposits with central bank and other banks	13,043	2,939
Finance lease receivables	290	1,168
	<u>150,558</u>	<u>343,818</u>
Interest expenses		
Placements from banks	—	(63,499)
Net interest income	<u>150,558</u>	<u>280,319</u>

1. Interest income: For the year ended 31 December 2022, the Company recorded an interest income of approximately RMB151 million, representing a decrease of 56% as compared to approximately RMB344 million in the same period of 2021. The decrease in interest income was mainly due to the decrease in loan size.
2. Interest expenses: For the year ended 31 December 2022, the Company did not record interest expenses (2021: approximately RMB63 million), which was mainly due to the reduction in loan portfolio of the Company. The Company has fully repaid placements from banks in 2021 and has not conducted bank financing in 2022. As at 31 December 2022, the Company's outstanding balance of placements from banks was nil (2021: nil).

Non-interest Income

1. Net fee and commission income: Net fee and commission income of the Company for 2022 was approximately RMB17 million. Set forth below is a detailed breakdown:

	For the year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Fee and commission income		
Joint loan services	16,645	30,924
Others	670	3,579
	<hr/>	<hr/>
Sub-total	17,315	34,503
	<hr/>	<hr/>
Fee and commission expenses		
Bank charges	(290)	(785)
	<hr/>	<hr/>
Net fee and commission income	17,025	33,718
	<hr/>	<hr/>

The Company's net fee and commission income mainly consisted of non-interest income received by the Company for the provision of joint-loan-related services. The Company's net fee and commission income in 2022 amounted to approximately RMB17 million, representing a decrease of 50% as compared to that in 2021. The decrease in related income was mainly due to the decrease in the Company's joint loan size.

2. Other net (expenses) income: In 2022, the Company's other net expenses amounted to approximately RMB5 million (2021: other net income of approximately RMB2 million), which mainly comprised the exchange loss and other expenses.

Operating Expenses

The operating expenses of the Company comprise staff costs, depreciation and amortization etc. For the year ended 31 December 2022, the Company's operating expenses amounted to approximately RMB116 million in aggregate, which generally remained stable as compared to approximately RMB119 million for 2021.

(Reversal) recognition of impairment losses under ECL model

The Company has adopted the HKFRS 9 Expected Credit Loss Model to categorize the risk assets of the Company into three stages. For the year ended 31 December 2022, the Company recorded a reversal of impairment losses amounted to approximately RMB0.53 billion (2021: impairment losses of approximately RMB1.32 billion). The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, and adjustments for forward-looking information. The categorization of loss stages is based on the number of days past due for each risk assets where (i) non-overdue assets are classified as the first loss stage; (ii) assets overdue within a period of 60-day (inclusive) are classified as the second loss stage; and (iii) assets overdue over for a period of 60-day are classified as the third loss stage. In addition to the aforementioned periods, the Company may also downgrade the loss stage on rare occasions according to, among others, information available concerning the relevant customers. Based on the Company's cautious assessment including the repayment of certain overdue receivables from customers of over RMB1.7 billion in 2022, and the reduction in the size of the Company's loans, and the Company's provision for impairment losses on loans and receivables decreased as at 31 December 2022 and recorded reversal of impairment losses. For further details, please refer to the table set out below:

	For the year ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Loans and advances to customers	(453,641)	1,191,733
Finance lease receivables	963	2,997
Bills receivable	(75,235)	75,235
Other assets	(3,801)	46,483
	<hr/>	<hr/>
Total	<u>(531,714)</u>	<u>1,316,448</u>

Net Profit (Loss)

For the year ended 31 December 2022, the Company recorded a net profit of approximately RMB135 million as compared to a net loss of the Company of approximately RMB840 million in 2021.

Deposits with Central Bank

As at 31 December 2022, the Company's deposits with central bank amounted to approximately RMB0.5 million (2021: RMB0.5 million). The deposits with central bank mainly comprise statutory deposit reserves and surplus deposit reserves. In accordance with the rules set by the People's Bank of China, the Company deposited the statutory deposit reserves.

Deposits with Banks

As at 31 December 2022, deposits with banks amounted to approximately RMB2.86 billion, representing an increase of approximately RMB2.6 billion as compared to approximately RMB0.26 billion as at 31 December 2021. It was mainly attributable to the loan repayments received by the Company from customers and the cautious loan disbursement strategy adopted by the Company.

Loans and Advances to Customers

As at 31 December 2022, net loans and advances to customers amounted to approximately RMB0.55 billion (2021: RMB2.44 billion). The Company's loan business mainly consists of auto loan business, among which, the gross balance of retail loans amounted to approximately RMB0.63 billion, representing a decrease of 59% as compared to approximately RMB1.52 billion at the end of 2021, while the gross balance of dealer loans amounted to approximately RMB1.14 billion, representing a decrease of 56% as compared to approximately RMB2.58 billion as at 31 December 2021.

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Retail loans	626,288	1,516,458
Dealer loans	<u>1,141,250</u>	<u>2,581,294</u>
Gross loans and advances to customers	1,767,538	4,097,752
Accrued interest	1,452	4,226
Less: Allowances for impairment loss	<u>(1,214,051)</u>	<u>(1,662,084)</u>
Net loans and advances to customers	<u>554,939</u>	<u>2,439,894</u>

Key terms of the Company's loan agreements include:

	For retail loans	For dealer loans
1. Principal amount	A fixed amount as set out in the loan agreement.	Revolving loans.
2. Interest rate	<p>a. Fixed interest rate: the Loan Prime Rate published by the National Interbank Funding Center ("LPR") plus/minus a rate adjustment, which are fixed throughout the term upon signing of the loan agreement; or</p> <p>b. Floating interest rate: the LPR (which may be reset during the term of the contract) plus/minus a rate adjustment.</p>	
3. Repayment terms	<p>Repayment types include:</p> <p>a. fixed monthly instalment;</p> <p>b. fixed monthly principal repayment;</p> <p>c. balloon repayment; and</p> <p>d. other repayment schedule as agreed otherwise.</p> <p>Late repayment may result in a 50% increase of the loan interests.</p>	<p>Repayment after sale of car; or repayment upon the expiry of the loan term.</p> <p>Late repayment may result in a 50% increase of the loan interests.</p>
4. Use of loan proceeds	The loan proceeds shall be used for the purchase of cars (including surcharges such as vehicle insurance, vehicle purchase tax, auto parts and accessories, and extended warranty).	The loan proceeds shall be used for the purchase of cars.
5. Security interests	The Company may request vehicle mortgage, third-party guarantee, and additional collateralized assets depending on the circumstances.	

For retail loans**For dealer loans**

6. Termination In event of a breach of the loan agreement by the customers, the Company would be authorised under the agreement to, among others:
- request additional guarantee;
 - accelerate the loan repayment date, such as declaring that all borrowings are immediately due or be repaid within a time limit; and
 - terminate the agreement unilaterally.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity requirements are mainly satisfied by equity capital contributions from Shareholders, which provided strong financial support to the Company's loan business. As at 31 December 2022, the Company's deposits with banks amounted to approximately RMB2.86 billion, representing an increase of approximately RMB2.6 billion as compared to approximately RMB0.26 billion as at the end of 2021. There was no balance of placements from banks (2021: nil). The total banking facilities available to the Company amounted to approximately RMB4.5 billion, all of which were unutilised as at 31 December 2022.

The Company's capital adequacy ratio increased from 68.37% as at 31 December 2021 to 191.50% as at 31 December 2022.

	As at 31 December	
	2022	2021
Core tier-one capital adequacy ratio	191.03%	67.42%
Tier-one capital adequacy ratio	191.03%	67.42%
Capital adequacy ratio	191.50%	68.37%
Liquidity ratio	5,293.40%	2,143.02%
Gearing ratio	3.25%	4.48%

Note: Gearing ratio = Total liabilities/total assets × 100%.

FOREIGN EXCHANGE RISK

As the Company's business is primarily operated in mainland China and settled in Renminbi, there are no material foreign exchange risks.

MATERIAL ACQUISITION OR DISPOSAL OF ASSETS

During the year ended 31 December 2022, there was no material acquisition and disposal of the Company's material assets.

SIGNIFICANT INVESTMENT

As at 31 December 2022, the Company did not hold any significant investment in equity interest in any company.

CHARGES ON ASSETS

As at 31 December 2022 and 31 December 2021, there were no charges on the Company's assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2022, the Company did not have any plans for material investments and capital assets.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2022, the Company had 152 employees in total, and most of the employees were located in the PRC. The Company has a team of highly educated and talented individuals. As at 31 December 2022, approximately 97% of the Company's employees hold a bachelor's degree or above, and approximately 22% hold a master's degree or above. In 2022, total staff costs of the Company amounted to approximately RMB55 million (2021: RMB63 million).

The Company endeavored to create a competitive and fair system for compensation and welfare, by adjusting employees' remuneration and benefits based on their business performance on an annual basis. The Company has been constantly improving its policies on remuneration and incentives and has also refined the long-term incentive scheme for employees and optimized the remuneration structure thereof to link employees' benefits to the overall business operation, for the purpose of enhancing employees' loyalty.

SIGNIFICANT LITIGATION AND ARBITRATION

During the year ended 31 December 2022, there was no litigation and arbitration which had a significant impact on the operating activities of the Company.

CONTINGENT LIABILITIES

The Company did not have any material contingent liabilities as at 31 December 2022.

CORPORATE DEVELOPMENT STRATEGY AND OUTLOOK

Since SAIC Motor became the controlling Shareholder in August 2022, the Company and SAIC Motor explored and pursued appropriate investment and business plans and strategies to promote the development of the Company's automotive finance business. In order to consolidate the Company's profitability and business sustainability, on 7 December 2022, the Company entered into the following agreements with SAIC Motor: (i) the Automotive Loan Services Framework Agreement, pursuant to which, the members of SAIC Motor Group agreed to provide loan-related services to the Company to promote the Company's automotive loan business; and (ii) 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 SAIC Motor Group. For details, please refer to the announcement dated 7 December 2022 and the circular dated 13 December 2022 of the Company.

In 2023, with the optimisation and adjustment of pandemic prevention and control, as well as the successive introduction of economic supportive policies, there is a continuous recovery of economy and improvement in consumer confidence. The Company will focus on increasing the scale of automotive retail loans assets, including establishing business cooperation models with channel service provider and direct dealers, developing business cooperation with automobile manufacturers at headquarter level, and exploring with emphasis on new energy vehicles automotive finance business etc. In 2023, the Company will continue to focus on the following works:

Firstly, it will build a comprehensive marketing and management system for channel service providers, implement the compliance and risk control requirements of regulatory authority for automotive finance companies in business development, and steadily increase the scale of the Company's retail loans business;

Secondly, in terms of the business of direct dealership model, it will focus on the development of business cooperation with automobile manufacturers at headquarter level, actively striving to develop business cooperation with more automobile manufacturers; and

Thirdly, it will restart cooperation with domestic financial institutions to enrich the Company's capital strength by obtaining banking facilities, so as to provide a strong support for the capital needs arising from the increase of business volume and loan asset scale.

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2022 (2021: nil).

No interim dividend has been declared by the Company in 2022 (2021: nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code regarding securities transaction by the Directors and the Supervisors. The Company has made specific enquiries to all the Directors and Supervisors and they have confirmed that each of them has complied with the Model Code for the year ended 31 December 2022.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance in order to safeguard the interests of the Shareholders and enhance the corporate value and accountability of the Company. The Company has adopted the code provisions as set out under the Corporate Governance Code.

For the year ended 31 December 2022, the Company has complied with all code provisions of the Corporate Governance Code.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant and important events requiring disclosure that have taken place subsequent to 31 December 2022 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2022, the Company did not purchase, sell or redeem any of the Company's listed securities.

REVIEW OF ACCOUNTS

As at the date of this announcement, the audit committee of the Board (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Wong Man Chung Francis (chairman), Ms. Liang Yanjun and Mr. Qin Zheng and one non-executive Director, Ms. Lin Weihua. The Audit Committee has reviewed the audited annual financial statements of the Company for the year ended 31 December 2022. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management. Based on the review and discussions with the management, the Audit Committee was satisfied that the Company's audited annual financial statements were prepared in accordance with applicable accounting standards and fairly present the Company's financial position and results for the year under review.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Company's statement of financial position, statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Company's audited financial statements for the year as approved by the Board of Directors on 29 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS

This annual results announcement is published on the Company's website at www.dongzhengafc.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the year ended 31 December 2022 will be published on the aforesaid websites and despatched to the Shareholders in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management and employees for their diligence and contribution, and would also like to thank the Shareholders and business associates for their strong support to the Company.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the H Shares of the Company has been suspended with effect from 9:00 a.m. on 7 October 2022. Trading in the H Shares of the Company will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CBIRC Shanghai Office”	Shanghai Office of the CBIRC

“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)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to 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 each, which are subscribed for or credited as fully paid in RMB originally issued by the Company to domestic investor(s) for subscription in RMB
“H Share(s)”	the issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1 each, which are subscribed for and traded in HK\$ 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement only, 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 controlling shareholder of the Company and a company listed on the Shanghai Stock Exchange (stock code: 600104)
“SAIC Motor Group”	SAIC Motor and its subsidiaries

“Share(s)”	ordinary share(s) in the share capital of the Company, including Domestic Shares, Unlisted Foreign Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Foreign Share(s)”	issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1 each, which are subscribed for or credited as fully paid in foreign currency and originally issued to persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange
“ZhengTong”	China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a company incorporated on 9 July 2010 as an exempted company with limited liability under the laws of the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange (stock code: 1728)
“%”	per cent

By Order of the Board
Shanghai Dongzheng Automotive Finance Co., Ltd.*
Wu Zheng
General Manager and Executive Director

Shanghai, 29 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*