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

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

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Shanghai Dongzheng Automotive Finance Co., Ltd.*
上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF
FINANCIAL SERVICES AGREEMENT
AND
NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Adviser to
The Independent Board Committee and the Independent Shareholders**



The Annual General Meeting of Shanghai Dongzheng Automotive Finance Co., Ltd.* will be held at 2 p.m. on Thursday, 29 June 2023 at 12/F (Nominal Floor: 15/F), Building Two, No. 58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC. A notice convening the Annual General Meeting is set out on pages AGM-1 to AGM-4 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the Notice of Annual General Meeting carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders, or to the Company's correspondence address at 12/F (Nominal Floor: 15/F), Building Two, No. 58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC for Domestic Shareholder and Unlisted Foreign Shareholder, in any event not less than 24 hours before the time fixed for convening the Annual General Meeting or any adjourned meeting thereof in person or by post. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting(s) thereof in person if you so wish.

* For identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	13
Letter from the Independent Financial Adviser	15
Appendix I – Financial Information of the Company	29
Appendix II – General Information of the Company	31
Notice of Annual General Meeting	AGM-1

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 2 p.m. on Thursday, 29 June 2023 at 12/F (Nominal Floor: 15/F), Building Two, No. 58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC, for the purposes of considering and, if thought fit, approving, among other things, the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day on which banks in the PRC are generally open for normal banking business to the public
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“close associate”	has the meaning ascribed thereto under the Listing Rules
“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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto 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 and originally issued by the Company to domestic investor(s) for subscription in RMB
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Financial Services Agreement”	the financial services agreement entered into between the Company and SAIC Finance on 19 May 2023 in relation to the provision of certain deposit services

DEFINITIONS

“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 HK\$ and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Financial Adviser” or “Goldlink Capital”	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity 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 Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the relevant general meeting of the Company to be held to consider, and if thought fit, approve the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“independent third parties”	independent third parties (to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries), including the ultimate beneficial owners of such party, who are not connected with the Company or any of their respective directors, chief executive or substantial shareholders or any of their respective associates (within the meaning of the Listing Rules)
“Latest Practicable Date”	23 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China, but for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Caps”	has the meaning ascribed thereto under the paragraph headed “III. Historical transaction amount and proposed annual caps” in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC Finance”	Shanghai Automotive Group Finance Corporation Limited* (上海汽車集團財務有限責任公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of SAIC Motor
“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 (excluding the Company)
“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 the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Foreign 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 foreign currency and originally issued to persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange

DEFINITIONS

“Unlisted Foreign Shareholder(s)” holder(s) of Unlisted Foreign Shares

“%” per cent

* *For identification purposes only*

LETTER FROM THE BOARD



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)

Directors:

Ms. Xu Ying (*Chairlady and Non-Executive Director*)
Mr. Wu Zheng (*General Manager and Executive Director*)
Dr. Zhou Qi (*Non-Executive Director*)
Ms. Lin Weihua (*Non-Executive Director*)
Mr. Wong Man Chung Francis (*Independent Non-Executive Director*)
Ms. Liang Yanjun (*Independent Non-Executive Director*)
Mr. Qin Zheng (*Independent Non-Executive Director*)

Registered office:

Unit ABC, 30/F,
Mirae Asset Tower,
No. 166,
Lu Jia Zui Ring Road,
Shanghai, the PRC

Principal place of business in Hong Kong:
Suites 3901-3903, 39th Floor,
Tower 2, Times Square,
No. 1 Matheson Street, Causeway Bay,
Hong Kong

30 May 2023

To the Independent Shareholders,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF
FINANCIAL SERVICES AGREEMENT
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement dated 19 May 2023 of the Company in relation to, among others, the Financial Services Agreement.

The purpose of this circular is to provide you with the information in relation to, among others, (i) details of the Financial Services Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee in relation to the terms of 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 Annual General Meeting.

* *For identification purposes only*

LETTER FROM THE BOARD

On 19 May 2023, the Company and SAIC Finance entered into the Financial Services Agreement, pursuant to which SAIC Finance agreed to provide certain deposit services to the Company in accordance with the terms and conditions provided therein for a term of three years. SAIC Finance is a non-banking financial institution established with the approval of the CBIRC.

2. FINANCIAL SERVICES AGREEMENT

Date: 19 May 2023

Parties: (1) the Company; and
(2) SAIC Finance.

The Company engages the financial services of SAIC Finance on a voluntary and non-exclusive basis, and the Company is not under any obligations to engage SAIC Motor for any particular financial service. The Company has the right to decide whether it requires and accepts the financial services to be provided by SAIC Finance, and to choose the financial institution at its discretion to engage the financial services, with reference to its own business needs.

Effective date and term

The Financial Services Agreement shall become effective upon its signing and obtaining the necessary approvals in relation to the transactions contemplated under the Financial Services Agreement and the Proposed Annual Caps in accordance with the Listing Rules (the “**Conditions**”). The term of the Financial Services Agreement shall commence on the later of (i) the date of fulfillment of the Conditions; and (ii) 1 July 2023, and shall end on 30 June 2026. The Financial Services Agreement can be extended on a mutually agreed basis (subject to compliance with Listing Rules requirement).

Deposit services

SAIC Finance shall provide certain deposit services to the Company, the principal terms of which are as follows:

- (a) the form of deposit can be current deposit, time deposit or other deposit services as agreed by the Company and SAIC Finance from time to time;
- (b) the interest rate for the deposit of the Company’s funds with SAIC Finance, subject to the compliance of the relevant requirements of the People’s Bank of China, shall make reference to the relevant market interest rates and fee standards (*i.e.* the interest rates and fee standards determined by other commercial banks which are independent third parties in providing the same type of financial services in the same or nearby locations under normal commercial terms in their daily operations) and be determined in accordance with the principles of fairness and reasonableness and industry self-discipline requirements; and

LETTER FROM THE BOARD

- (c) the maximum daily balance (including interests) of the Company's deposits with SAIC Finance shall not exceed the following caps for each of the three years ending 30 June 2026 (the "Proposed Annual Caps"):

	From 1 July 2023 to 30 June 2024 <i>(RMB billion)</i>	From 1 July 2024 to 30 June 2025 <i>(RMB billion)</i>	From 1 July 2025 to 30 June 2026 <i>(RMB billion)</i>
Proposed Annual Caps	3	3	3

Other than the deposit services, SAIC Finance does not provide other services to the Company under the Financial Services Agreement.

3. HISTORICAL TRANSACTION AMOUNT AND PROPOSED ANNUAL CAPS

The Company did not deposit any funds with SAIC Finance during each of the 12 months ended 31 December 2021 and 31 December 2022, and since 1 January 2023 until the Latest Practicable Date.

The Board, having considered (i) the historical cash position of the Company, in particular the cash position of the Company of approximately RMB2.9 billion as at 31 December 2022; (ii) the expected growth of the business operations of the Company; and (iii) the expected amount of interest income to be generated from the deposits with SAIC Finance, proposed that the maximum daily deposit balance (including interests) of the aggregated deposits placed by the Company with SAIC Finance pursuant to the Financial Services Agreement shall not exceed the Proposed Annual Caps:

	From 1 July 2023 to 30 June 2024 <i>(RMB billion)</i>	From 1 July 2024 to 30 June 2025 <i>(RMB billion)</i>	From 1 July 2025 to 30 June 2026 <i>(RMB billion)</i>
Proposed Annual Caps	3	3	3

The Directors (including the independent non-executive Directors having considered the advice of the Independent Financial Adviser) consider that the above Proposed Annual Caps are fair and reasonable, and in the interests of the Shareholders as a whole.

4. INTERNAL CONTROL PROCEDURES

To secure the Shareholders' interests, SAIC Finance has given certain undertakings to the Company and the Company has adopted certain internal control procedures, pursuant to which:

1. SAIC Finance shall comply with the applicable regulatory requirements imposed by CBIRC;

LETTER FROM THE BOARD

2. in relation to any changes in the business scope of SAIC Finance that requires approval from the CBIRC, SAIC Finance shall notify the Company in writing within two business days from the date of the relevant approval of the CBIRC;
3. SAIC Finance shall ensure that its financial services provided to the Company are approved by the relevant laws and are in strict compliance with the requirements of the relevant PRC financial laws and regulations, SAIC Finance shall also provide copies of all relevant approvals or permits to the Company;
4. SAIC Finance shall forthwith notify the Company within two business days and take necessary mitigation measures upon the occurrence of circumstances that may cause harm to the security of the Company's deposits or circumstances that may jeopardise the security of the Company's deposits;
5. SAIC Finance has undertaken to the Company to facilitate, and cooperate with, the Company's compliance obligations under Listing Rules and/or any other applicable laws and regulations;
6. the Company shall obtain at least three quotations from independent financial institutions for similar type of deposit services;
7. the interest rate provided to the Company regarding the deposit services should not be lower than (a) the benchmark interest rate stipulated by the People's Bank of China for the same type of deposits; and (b) the quotations obtained from independent financial institutions for similar type of deposit services;
8. the responsible department of the Company should regularly report the implementation and management of the Company's deposits with SAIC Finance to the management and other relevant departments of the Company;
9. the Company shall report to the audit committee annually on matters related to deposit transactions with SAIC Finance; and
10. the internal audit department of the Company shall regularly supervise and inspect various matters related to the deposit transactions with SAIC Finance.

The Board considers that the above undertakings given by SAIC Finance and internal control procedures adopted by the Company in respect of the transactions contemplated under the Financial Services Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the transactions under the Financial Services Agreement will be appropriately monitored by the Company.

LETTER FROM THE BOARD

5. REASONS FOR AND BENEFITS OF THE FINANCIAL SERVICES AGREEMENT

The major reasons for the Company to enter into the Financial Services Agreement with SAIC Finance are as follows:

1. the interest rates and fee standards offered by SAIC Finance for the deposit services is determined in accordance with the principles of fairness and reasonableness, industry self-discipline requirements and after considering the relevant market interest rates and fee standards;
2. SAIC Finance is a wholly-owned subsidiary of SAIC Motor and a non-banking financial institution established with the approval of the CBIRC. The activities of SAIC Finance are regulated by the CBIRC and SAIC Finance provides services within its approved scope in accordance with its operational requirement. As set out in the paragraph headed “*Internal control procedures*” above, SAIC Finance has given undertakings, and the Company has adopted internal control procedures, to ensure the safety of the Company’s funds that will be deposited with SAIC Finance;
3. the transactions under the Financial Services Agreement shall facilitate the Company to increase the efficiency of fund utilisation with low financial risks;
4. the Company maintains deposits with and engages commercial banks for financial services from time to time as part of its treasury activities. As such, it is of importance that the Company to choose a bank or a financial institution with high creditworthiness and better mutual understanding in order to satisfy the Company’s business needs;
5. it is common for large corporate groups in the PRC to set up and maintain a finance company to provide financial services to its group members as this improves centralised management and utilisation efficiency of group funds, and assists the group members in reducing financing costs and investment risks. As an intra-group service provider, SAIC Finance generally has better and more efficient communication with the Company compared with other independent banks and financial institutions, and the receipt of deposits services from SAIC Finance would ensure flexibility to manage its working capital and generate higher interests income should the terms offered by the SAIC Finance be better than that of the independent banks or financial institutions; and
6. the Company is not restricted under the Financial Services Agreement to approach, and in fact may choose, any bank or financial institution to satisfy its financial service needs. Therefore, the Company may, but is not obliged to, continue to use the services of SAIC Finance if its service quality continues to remain competitive. Having such flexibility afforded under the Financial Services Agreement, the Company would be able to better manage its current capital and cash flow position.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors having considered the advice of the Independent Financial Adviser) consider that the Financial Services Agreement has been negotiated on arm's length basis and is on normal commercial terms. The terms of the Financial Services Agreement, the transactions contemplated thereunder and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ms. Xu Ying, Dr. Zhou Qi and Ms. Lin Weihua have abstained from voting on the relevant Board resolutions approving the Financial Services Agreement and the transactions contemplated thereunder in view of their respective positions in the SAIC Motor Group. Save as disclosed, none of the Directors has a material interest in such transactions and is required to abstain from voting.

6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, SAIC Motor is a controlling shareholder of the Company holding 1,912,248,601 Shares (including 392,248,601 H Shares and 1,520,000,000 Unlisted Foreign Shares) which represents in aggregate approximately 89.37% of all the issued Shares. As SAIC Finance is a wholly-owned subsidiary of SAIC Motor, SAIC Finance is an associate of SAIC Motor and therefore a connected person of the Company under the Listing Rules. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Annual Caps exceed 5%, the continuing connected transactions contemplated under the Financial Services Agreement are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Annual Caps exceed 25%, the transactions contemplated under the Financial Services Agreement are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

It was proposed that the Financial Services Agreement and the Proposed Annual Caps shall be considered and, if thought fit, approved at the Annual General Meeting.

7. INFORMATION OF THE PARTIES

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.

LETTER FROM THE BOARD

SAIC Finance

SAIC Finance is a company established in the PRC and is a wholly-owned subsidiary of SAIC Motor. It is a non-banking financial institution established with the approval of CBIRC and is principally engaged in the provision of financial services including deposit services, credit services, financial and financing consultation, credit verification and related consultation, agency services, and settlement and liquidation, etc.

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 and 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 Latest Practicable Date, Shanghai Automotive Industry Corporation (Group) was the controlling shareholder of SAIC Motor, and Shanghai Automotive Industry Corporation (Group) was in turn wholly-owned by Shanghai SASAC.

8. ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at 2 p.m. on Thursday, 29 June 2023 at 12/F (Nominal Floor: 15/F), Building Two, No. 58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC. The notice of the Annual General Meeting is set out on pages AGM-1 to AGM-4 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. Shareholders who intend to appoint a proxy to attend the Annual General Meeting shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 24 hours before the time fixed for the holding of Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be).

Any shareholder with a material interest and his/her/its close associates will abstain from voting on the resolution approving the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) at the Annual General Meeting. As at the Latest Practicable Date, other than SAIC Motor (which held and controlled the voting rights of 1,912,248,601 Shares (including 392,248,601 H Shares and 1,520,000,000 Unlisted Foreign Shares) which represents in aggregate approximately 89.37% of all the issued Shares), no Shareholder is required to abstain from voting in respect of the resolution approving the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) at the Annual General Meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll. The Company will announce the results of the poll in accordance with the Listing Rules following the Annual General Meeting.

LETTER FROM THE BOARD

9. CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of H Shareholders who will be entitled to attend and vote at the Annual General Meeting, the Company's H shares register of members will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023 (both days inclusive), during which period no transfer of H Shares will be effected. In order for the H Shareholders to qualify for attending and voting at the Annual General Meeting, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 23 June 2023.

10. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 13 to 14 of this circular, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 15 to 28 of this circular in respect of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the Financial Services Agreement will be conducted in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole, and that the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) to be proposed at the AGM.

11. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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



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)

30 May 2023

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
IN RESPECT OF FINANCIAL SERVICES AGREEMENT**

We refer to the circular dated 30 May 2023 issued by the Company (the “**Circular**”), which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider and advise you in respect of the Financial Services Agreement and transactions contemplated thereunder (including the Proposed Annual Caps), details of which are set out in the “Letter from the Board” contained in the Circular.

Goldlink Capital (Corporate Finance) Limited has been appointed as the Independent Financial Adviser in this regard. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the “Letter from the Independent Financial Adviser” on pages 15 to 28 of the Circular.

We wish to draw your attention to the “Letter from the Board”, the “Letter from Independent Financial Adviser” and the additional information set out in the appendices to the Circular.

Having considered the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice, we are of the view that the Financial Services Agreement will be conducted in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole, and that the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are on normal commercial terms

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

and are fair and reasonable. Accordingly, we recommend that you vote in favour of the ordinary resolutions in relation to the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) to be proposed at the AGM.

For and on behalf of the
Independent Board Committee

Mr. Wong Man Chung Francis
Independent non-executive Director

Ms. Liang Yanjun
Independent non-executive Director

Mr. Qin Zheng
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Goldlink Capital (Corporate Finance) Limited to the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) for the purpose of inclusion in this circular.



28/F
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

30 May 2023

*To: The Independent Board Committee and the Independent Shareholders of
Shanghai Dongzheng Automotive Finance Co., Ltd.**

Dear Sirs,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF FINANCIAL SERVICES AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 30 May 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

References are made to the announcement of the Company dated 19 May 2023 in relation to, among others, the Financial Services Agreement. On 19 May 2023, the Company and SAIC Finance entered into the Financial Services Agreement, pursuant to which SAIC Finance agreed to provide certain deposit services to the Company in accordance with the terms and conditions provided therein for a term of three years. SAIC Finance is a non-banking financial institution established with the approval of the CBIRC.

As at the Latest Practicable Date, SAIC Motor is a controlling shareholder of the Company holding 1,912,248,601 Shares (including 392,248,601 H Shares and 1,520,000,000 Unlisted Foreign Shares) which represents in aggregate approximately 89.37% of all the issued Shares. As SAIC Finance is a wholly-owned subsidiary of SAIC Motor, SAIC Finance is an associate of SAIC Motor and therefore a connected person of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Company under the Listing Rules. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Annual Caps exceed 5%, the continuing connected transactions contemplated under the Financial Services Agreement are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Annual Caps exceed 25%, the transactions contemplated under the Financial Services Agreement constitute major transactions of the Company and are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Ms. Xu Ying, Dr. Zhou Qi and Ms. Lin Weihua have abstained from voting on the relevant Board resolutions approving the Financial Services Agreement and the transactions contemplated thereunder in view of their respective positions in the SAIC Motor Group. Save as disclosed, none of the Directors has a material interest in such transactions and is required to abstain from voting.

The Independent Board Committee (comprising Mr. Wong Man Chung Francis, Ms. Liang Yanjun and Mr. Qin Zheng, being all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Hong Kong Listing Rules to advise the Independent Shareholders in respect of the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we did not have any engagement with the Company or the Directors, chief executives and substantial shareholders of the Company or any of their associates. We are therefore independent of the Company pursuant to Rule 13.84 of the Hong Kong Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company and any parties in respect of the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

1. BACKGROUND INFORMATION ON 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.

1.1 Financial performance of the Company

Set out below is a summary of the consolidated statements of profit or loss of the Company for the year ended 31 December 2020 (“FY2020”), 31 December 2021 (“FY2021”) and 31 December 2022 (“FY2022”), which are extracted from the Company's annual report for the year ended 31 December 2021 (the “2021 Annual Report”) and the Company's annual report for the year ended 31 December 2022 (the “2022 Annual Report”), respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Year ended 31 December		
	2022	2021	2020
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Operating income			
- Net interest income	150,558	280,319	495,143
- Net fee and commission income	17,025	33,718	72,507
Operating expense	(115,719)	(118,518)	(119,901)
Net profit/(loss) and total comprehensive income (expense) for the year	135,097	(840,093)	54,985

FY2022

The net interest income of the Company decreased by approximately RMB129.8 million or 46.3% from approximately RMB280.3 million for FY2021 to RMB150.6 million for FY2022. According to the 2022 Annual Report, the decrease in net interest income was mainly due to the combined effect of (i) the decrease in interest income from loans and advances to customers from approximately RMB339.7 million for FY2021 to approximately RMB137.2 million for FY2022, which was mainly result from the decrease in loan size; and (ii) the Company did not record interest expenses in FY2022 which was mainly due to the reduction in loan portfolio of the Company. The Company had fully repaid placements from banks in 2021 and had not conducted bank financing in 2022.

The net fee and commission income of the Company decreased by approximately RMB16.7 million or 49.5% from approximately RMB33.7 million for FY2021 to RMB17.0 million for FY2022. According to the 2022 Annual Report, such decrease was mainly due to the decrease in the Company's joint loan size.

The Company recorded a turnaround from a net loss of approximately RMB840.1 million for FY2021 to a net profit of approximately RMB135.1 million for FY2022, which was mainly attributable to the reversal in recognition of impairment losses of approximately RMB0.53 billion in FY2022 as compared to the recognition of impairment losses of approximately RMB1.32 billion in FY2021. Such reversal of impairment loss in FY2022 was mainly due to the Company's cautious assessment including the repayment of certain overdue receivables from customers of over RMB1.7 billion in 2022, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2021

The net interest income of the Company decreased by approximately RMB214.8 million or 43.4% from approximately RMB495.1 million for FY2020 to RMB280.3 million for FY2021. According to the 2021 Annual Report, the decrease in net interest income was mainly due to (i) the decrease in interest income from loans and advances to customers from approximately RMB737.3 million for FY2020 to approximately RMB339.1 million for FY2021, which was mainly resulted from the decrease in loan size; and (ii) partly offset by the decrease in interest expense from approximately RMB248.2 million for FY2020 to approximately RMB63.5 million for FY2021, which was mainly resulted from the decrease in borrowings due to the reduction in loan portfolio.

The net fee and commission income of the Company decreased by approximately RMB38.8 million or 53.5% from approximately RMB72.5 million for FY2020 to RMB33.7 million for FY2021. According to the 2021 Annual Report, such decrease was mainly due to the fact that the Company focused on the development of joint loan business during FY2021, and reduced referral of customers to other financial institutions, as well as the decrease in the Company's loan size.

The Company recorded a net loss for FY2021 of approximately RMB840.1 million as compared to a net profit of approximately RMB55.0 million for FY2020. Such turnaround from profit to loss was mainly due to (i) the decrease in both net interest income and net fee and commission income of approximately 43.4% and 53.5%, respectively, with reasons as stated above; and (ii) the increase in impairment losses of approximately RMB935.0 million or 245.2% from approximately RMB381.4 million for FY2020 to approximately RMB1,316.4 million for FY2021, as a result of the higher overall provision ratio applied on the loans and receivables balances after reassessing the probability of default of such receivables.

1.2 Financial position of the Company

	As at 31 December		
	2022	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Total assets	3,472,326	3,375,771	6,268,762
Total liabilities	112,762	151,304	2,204,202
Total equity	3,359,564	3,224,467	4,064,560

The total assets of the Company decreased from approximately RMB6.3 billion as at 31 December 2020 to approximately RMB3.4 billion as at 31 December 2021, and then increased slightly to approximately RMB3.5 billion as at 31 December 2022. The decrease in total assets in 2021 was mainly due to the decrease in loans and advances to customers from approximately RMB5.8 billion as at 31 December 2020 to approximately RMB2.4 billion as at 31 December 2021. As at 31 December 2020, 2021 and 2022, deposits with banks, loans

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and advances to customers and deferred tax assets were the major assets of the Company, which accounted for approximately 95.0%, 93.2% and 99.0% of the total assets of the Company as at 31 December 2020 and 2021 and 2022, respectively.

The total liabilities of the Company decreased from approximately RMB2.2 billion as at 31 December 2020 to approximately RMB0.2 billion as at 31 December 2021, and then further decreased to approximately RMB0.1 billion as at 31 December 2022. The decrease in total liabilities in 2021 was mainly due to the decrease in placements from banks from approximately RMB2.0 billion as at 31 December 2020 to nil as at 31 December 2021. As at 31 December 2020 and 2021 and 2022, placements from banks and other liabilities, comprising mainly of payables of joint loans and IPO service fees payable, were the major liabilities of the Company, which accounted for approximately 96.7%, 71.2% and 74.5% of the total liabilities of the Company as at 31 December 2020, 2021 and 2022, respectively.

As a result of the foregoing, the total equity of the Company as at 31 December 2020, 2021 and 2022 amounted to RMB4.1 billion, RMB3.2 billion and RMB3.4 billion respectively. The gearing ratio was 35.16%, 4.48% and 3.25% as at 31 December 2020, 2021 and 2022, respectively.

2. BACKGROUND INFORMATION ON SAIC FINANCE AND SAIC MOTOR

SAIC Finance is a company established in the PRC and is a wholly-owned subsidiary of SAIC Motor. It is a non-banking financial institution established with the approval of the CBIRC and is principally engaged in the provision of financial services, including deposit services, credit services, financial and financing consultation, credit verification and related consultation, agency services, and settlement and liquidation, etc.

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 and 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 Latest Practicable Date, Shanghai Automotive Industry Corporation (Group) was the controlling shareholder of SAIC Motor, and Shanghai Automotive Industry Corporation (Group) was in turn wholly-owned by Shanghai SASAC.

3. FINANCIAL SERVICES AGREEMENT

3.1 Reasons for and benefits of the Financial Services Agreement

According to the Letter from the Board, the major reasons for the Company to enter into the Financial Services Agreement with SAIC Finance include: (i) the interest rates and fee standards offered by SAIC Finance for the deposit services is determined in accordance with the principles of fairness and reasonableness, industry self-discipline requirements and after considering the relevant market interest rates and fee standards; (ii) SAIC Finance is a wholly-

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

owned subsidiary of SAIC Motor and a non-banking financial institution established with the approval of the CBIRC. The activities of SAIC Finance are regulated by the CBIRC and SAIC Finance provides services within its approved scope in accordance with its operational requirements. As set out in the paragraph headed “Internal control procedures” in the Letter from the Board, SAIC Finance has given undertakings, and the Company has adopted internal control procedures, to ensure the safety of the Company’s funds that will be deposited with SAIC Finance; and (iii) the transactions under the Financial Services Agreement shall facilitate the Company to increase the efficiency of fund utilisation with low financial risks.

The Company maintains deposits with and engages commercial banks for financial services from time to time as part of its treasury activities. In addition, as advised by the management of the Company, it is essential for the Company to engage commercial banks for deposit services with an aim to generate interest income as part of its ordinary and usual course of business. As such, it is of importance that the Company to choose a bank or a financial institution with high creditworthiness and better mutual understanding in order to satisfy the Company’s business needs.

As advised by the management of the Company, it is common for large corporate groups in the PRC to set up and maintain a finance company to provide financial services to the group members as this improves centralised management and utilisation efficiency of group funds, and assists the group members in reducing financing costs and investment risks. The Directors believe that as an intra-group service provider, SAIC Finance generally has better and more efficient communication with the Company as compared with other independent banks and financial institutions, and the receipt of deposits services from SAIC Finance would ensure flexibility to manage its working capital and generate higher interests income should the terms offered by SAIC Finance be better than that of the independent banks or financial institutions.

Furthermore, as advised by the management of the Company, the Company is not restricted under the Financial Services Agreement to approach, and in fact may choose, any bank or financial institution to satisfy its financial service needs. Therefore, the Company may, but is not obliged to, continue to use SAIC Finance’s services if the service quality provided continues to be competitive. Having such flexibility afforded under the Financial Services Agreement, the Company would be able to better manage its current capital and cash flow position.

In addition, we are given to understand that the operations of SAIC Finance are regulated by the CBIRC. To the best of the Directors’ knowledge and belief, SAIC Finance has been in compliance with all the major financial services rules and regulations and have sound internal control systems. SAIC Finance can provide financial services, including deposit services, based on the approval issued by the CBIRC.

In order to understand the financial position of SAIC Finance, we have reviewed its financial information for the three years ended 31 December 2020, 2021 and 2022. We noted that SAIC Finance recorded net assets of approximately RMB52.1 billion, RMB56.7 billion and RMB60.6 billion as at 31 December 2020, 31 December 2021 and 31 December 2022, respectively. We have also obtained from the management of the Company various financial

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ratios of SAIC Finance and understand that such financial ratios met the requirements as set out in “The Measures for the Administration of Finance Companies of Enterprise Groups” (《企業集團財務公司管理辦法》) issued by CBIRC. In particular, (i) the capital adequacy ratio of SAIC Finance was approximately 25.10% as at 31 December 2022, which was higher than the basic requirement of 10% for finance companies as required by CBIRC; (ii) the liquidity ratio was 117.51% as at 31 December 2022, which was significantly higher than the basic requirement of 25% for finance companies as required by CBIRC; (iii) non-performing asset ratio of SAIC Finance was 0.28% as at 31 December 2022, which was within limit of not more than 4% for finance companies as set out by CBIRC; and (iv) bad loan ratio of SAIC Finance was 0.52% as at 31 December 2022, which was within the limit of not more than 5% for finance companies as set out by CBIRC. Based on the current financial position of SAIC Finance, we concur with the Directors’ views that SAIC Finance has the financial capability in providing the deposit services under the Financial Services Agreement, and the credit risk involved in the underlying transactions is low.

Based on the above, in particular that (i) it is in the ordinary and usual course of business of the Company to maintain deposits with different financial institutions; (ii) as an intra-group service provider, SAIC Finance generally has better and more efficient communication with the Company as compared with other independent banks and financial institutions; (iii) the background and the financial position of SAIC Finance; and (iv) the Company would enjoy the flexibility to choose the deposit services from any bank or financial institution to satisfy its financial service needs, we concur with the view of the Directors that the deposit services under the Financial Services Agreement are in the ordinary and usual course of business of the Company and that the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole.

3.2 Key terms of the Financial Services Agreement

Date: 19 May 2023

Parties: (1) the Company; and
(2) SAIC Finance.

Subject matter: The Company engages the financial services of SAIC Finance on a voluntary and non-exclusive basis, and the Company is not under any obligations to engage SAIC Motor for any particular financial service. The Company has the right to decide whether it requires and accepts the financial services to be provided by SAIC Finance, and to choose the financial institution at its discretion to engage the financial services, with reference to its own business needs.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Effective date and term:

The Financial Services Agreement shall become effective upon its signing and obtaining the necessary approvals in relation to the transactions contemplated under the Financial Services Agreement and the Proposed Annual Caps in accordance with the Listing Rules (the “**Conditions**”). The term of the Financial Services Agreement shall commence on the later of (i) the date of fulfilment of the Conditions; and (ii) 1 July 2023, and shall end on 30 June 2026. The Financial Services Agreement can be extended on a mutually agreed basis (subject to compliance with Listing Rules requirement).

Deposit services:

SAIC Finance shall provide certain deposit services to the Company, the principal terms of which are as follows:

- (a) the form of deposit can be current deposit, time deposit or other deposit services as agreed by the Company and SAIC Finance from time to time;
- (b) the interest rate for the deposit of the Company’s funds with SAIC Finance, subject to the compliance of the relevant requirements of the People’s Bank of China, shall make reference to the relevant market interest rates and fee standards (i.e. the interest rates and fee standards determined by other commercial banks which are independent third parties in providing the same type of financial services in the same or nearby locations under normal commercial terms in their daily operations) and be determined in accordance with the principles of fairness and reasonableness and industry self-discipline requirements.

Other than the deposit services, SAIC Finance does not provide other services to the Company under the Financial Services Agreement.

In assessing the fairness and reasonableness of the key terms of the Financial Services Agreement, we have considered the followings:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2.1 Pricing policy in respect of the Financial Services Agreement

As set out in the Letter from the Board, the interest rate for the deposit of the Company's funds with SAIC Finance, subject to the compliance of the relevant requirements of the People's Bank of China, shall make reference to the relevant market interest rates and fee standards (i.e. the interest rates and fee standards determined by other commercial banks which are independent third parties in providing the same type of financial services in the same or nearby locations under normal commercial terms in their daily operations) and be determined in accordance with the principles of fairness and reasonableness and industry self-discipline requirements.

We have enquired the management of the Company and understand that the Company did not deposit any funds with SAIC Finance during each of the 12 months ended 31 December 2021 and 31 December 2022, and since 1 January 2023 until the Latest Practicable Date.

Despite no historical transactions, we are given to understand from the management of the Company that the terms offered by SAIC Finance to the Company under the Financial Services Agreement will be similar to those offered to the SAIC Motor Group. As such, in order to assess the fairness and reasonableness of the terms of the Financial Services Agreement, we have obtained, reviewed and compared (i) 3 sample income vouchers issued by SAIC Finance to the SAIC Motor Group in 2022; and (ii) email correspondences on the interest rate offered by 4 independent commercial banks to the Company for similar type of deposits. Based on our review, we noted that the interest rates offered by SAIC Finance to SAIC Motor Group were no less favourable than those offered by independent commercial banks in the PRC to the Company and the relevant rate stipulated by the PBOC for similar type of deposits.

Further, we were given to understand that the Company will adopt the internal control procedures on pricing to ensure that the terms of deposit services are conducted on normal commercial terms and in accordance to the pricing policy of the Company. We have obtained and reviewed the Company's written internal control measures relating to the transactions contemplated under the Financial Services Agreement and note that, in particular, (i) the Company will obtain at least three quotations from independent financial institutions for similar type of deposit services; (ii) the interest rate provided to the Company regarding the deposit services should not be lower than (a) the benchmark interest rate stipulated by the People's Bank of China for the same type of deposits; and (b) the quotations obtained from independent financial institutions for similar type of deposit services; (iii) during the development and continuation of deposits with SAIC Finance, the responsible department should regularly reports the implementation and management of deposits to the management and other necessary participating departments; (iv) the Company shall report to the audit committee annually on matters related to deposit transactions with SAIC Finance; (v) the internal audit department of the Company regularly supervises and inspects various matters related to deposit transactions with SAIC Finance; (vi) the Company regularly holds meetings to discuss the transactions under the Financial Services Agreement for suggestions and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

improvement; and (vii) SAIC Finance has undertaken to the Company to facilitate, and cooperate with, the Company's compliance obligations under Listing Rules and/or any other applicable laws and regulations.

In addition, SAIC Finance shall (i) notify the Company in writing within two business days from the date of the relevant approval of the CBIRC should there be any changes in the business scope of SAIC Finance that requires approval from the CBIRC; (ii) shall ensure that its financial services provided to the Company are approved by the relevant laws and are in strict compliance with the requirements of the relevant PRC financial laws and regulations, SAIC Finance shall also provide copies of all relevant approvals or permits to the Company; and (iii) forthwith notify the Company within two business days and take necessary mitigation measures upon the occurrence of circumstances that may cause harm to the security of the Company's deposits or circumstances that may jeopardise the security of the Company's deposits.

Based on the above, we concur with the Directors' view that the internal control measures are sufficiently in place to ensure the transactions contemplated under the Financial Services Agreement will be conducted on normal commercial terms.

After taking into consideration that (i) based on our review on the sample documents obtained, the interest rates offered by SAIC Finance to SAIC Motor Group were no less favourable than those offered by independent commercial banks in the PRC to the Company and the relevant rate stipulated by the PBOC for similar type of deposits; (ii) since there are no historical transactions between the Company and SAIC Finance in respect of deposit services, the Company will adopt the internal control procedures on pricing to ensure that the terms of the deposit services will be conducted on normal commercial terms and in accordance with the pricing policy of the Company; and (iii) internal control measures are sufficiently in place to ensure the transactions contemplated under the Financial Services Agreement will be conducted on normal commercial terms, we are of the view that the terms of the deposit services to be provided to the Company under the Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3.2.2 The Proposed Annual Caps

The Board, having considered (i) the historical cash position of the Company, in particular the cash position of the Company of approximately RMB2.9 billion as at 31 December 2022; (ii) the expected growth of the business operations of the Company; and (iii) the expected amount of interest income to be generated from the deposits with SAIC Finance, proposed that the maximum daily deposit balance (including interests) of the aggregated deposits placed by the Company with SAIC Finance pursuant to the Financial Services Agreement shall not exceed the Proposed Annual Caps:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	From 1 July 2023 to 30 June 2024 <i>(RMB billion)</i>	From 1 July 2024 to 30 June 2025 <i>(RMB billion)</i>	From 1 July 2025 to 30 June 2026 <i>(RMB billion)</i>
Proposed Annual Caps	3	3	3

The Directors (including the independent non-executive Directors having considered the advice of the Independent Financial Adviser) consider that the above Proposed Annual Caps are fair and reasonable, on normal commercial terms, and in the interests of the Shareholders as a whole.

The Proposed Annual Caps for the maximum daily balance (including interests) of the Company's deposit with SAIC Finance shall not exceed the following caps for each of the three years ending 30 June 2026 which are RMB3 billion, RMB3 billion and RMB3 billion, respectively.

In order to assess the fairness and reasonableness of the aforesaid bases and assumptions adopted by the Board in arriving the Proposed Annual Caps for the deposit services under the Financial Services Agreement, we have discussed with the management of the Company regarding the bases and assumptions in arriving at the Proposed Annual Caps for the deposit services and we have considered the following:

- We note that, in arriving the Proposed Annual Caps for the deposit services, the Company has considered the historical cash position of the Company. According to the 2022 Annual Report, as of 31 December 2022, the cash position of the Company amounted to RMB2.86 billion, which represents approximately 95.3% of the Proposed Annual Cap. Taking into account of the cash position of the Company as of 31 December 2022, the Directors consider that and we concur that the historical transaction amount is an appropriate reference in determining the Proposed Annual Caps of RMB3.0 billion for the three years ending 31 December 2026, respectively with the assumption that the transaction volume would reach the similar historical level;
- We have reviewed the 2022 Annual Report and noted that there was significant cash inflow for the FY2022, generated from operating activities in particular. During the FY2022, the net cash inflow from operating activities amounted to approximately RMB2.4 billion. Such significant cash inflow for the FY2022 was mainly due to the decrease in loans and advances to customers of approximately RMB2.3 billion as a result of the loans repayment received by the Company from customers and the cautious loan disbursement strategy adopted by the Company. The high volume of cash inflow demonstrates the high demand on financial services from financial institutions (including SAIC Finance) to support the Company's normal operations; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- As set out in the 2022 Annual Report, 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 by entering into the: (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. Further, in 2023, it is the Company's strategy to 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. Going forward, the Company will also 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. Taking into consideration of the aforesaid, the management of the Company considered that by implementing the aforesaid business strategies, it is expected that the demand of deposit services of the Company will also increase along with the expected growth of the business operations of the Company in the future.

Based on the above, in particular (i) the historical cash position of the Company is an appropriate reference in determining the Proposed Annual Caps as the cash position of the Company as of 31 December 2022 represents approximately 95.3% of the Proposed Annual Cap; (ii) there was significant cash inflow for the FY2022, generated from operating activities in particular and the high volume of cash inflow demonstrates the high demand on financial services from financial institutions (including SAIC Finance) to support the Company's normal operations and the financing demands of the Company; (iii) the Company's strategy to focus on increasing the scale of automotive retail loans assets in 2023 and hence it is expected that the demand of deposit services of the Company will also increase along with the expected growth of the business operations of the Company in the future, we therefore are of the view that the Proposed Annual Caps for the deposit services under the Financial Services Agreement for the three years ending 30 June 2026 are determined based on reasonable estimation and after due and careful consideration and they are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into account the above-mentioned principal factors and reasons, we are of the view that the Financial Services Agreement will be conducted in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole, and that the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Caps) are on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolutions in relation to the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) to be proposed at the AGM.

* *For identification purpose only*

Yours faithfully,
For and on behalf of
Goldlink Capital (Corporate Finance) Limited
Vincent Cheung
Managing Director

Mr. Vincent Cheung is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Goldlink Capital (Corporate Finance) Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

1. INDEBTEDNESS

As at the close of business on 30 April 2023, being the latest practicable date for the purpose of ascertaining this statement of indebtedness prior to the printing of this circular, the Company had total available bank credit facilities of approximately RMB7 billion all of which had not been utilised.

Save as disclosed above, as at the close of business on 30 April 2023, apart from normal accounts payable in the ordinary course of business, the Company did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, financial lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

The Directors are of the opinion that, taking into account of the Company's available financial resources including internally generated cash flows, credit facilities and cash on hand, the Company has sufficient working capital for its present requirements, that is, for at least 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS 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.

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.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position or outlook of the Company subsequent to 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Directors, Supervisors and the chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors, Supervisors and the chief executives of the Company including their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and parties acting in concert with it and other persons' interests and short positions in Shares, underlying Shares and securities of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities (other than the Directors, Supervisors and chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting Shares of the Company, or in any options in respect of such share capital were as follows:

Name of Substantial Shareholder	Class of Shares	Capacity	Number of Shares held directly or indirectly	Approximate percentage of issued Shares of the relevant class (%)	Approximate percentage of total issued ordinary Shares (%)
SAIC Motor	Unlisted Foreign Shares	Beneficial owner	1,520,000,000	100.00	71.04
	H Shares	Beneficial owner	392,248,601	72.69	18.33
Shanghai Automotive Industry Corporation (Group)	Unlisted Foreign Shares	Interest of corporation controlled by substantial shareholder ¹	1,520,000,000	100.00	71.04
	H Shares	Interest of corporation controlled by substantial shareholder ²	392,248,601	72.69	18.33
Dongfeng Motor Corporation	Domestic Shares	Beneficial owner	80,000,000	100.00	3.74
Global Precise Assets Limited	H Shares	Beneficial owner	80,000,400	14.82	3.74
Xingtai Capital Management Limited	H Shares	Investment manager ³	40,000,000	7.41	1.87

Notes:

- Such information is extracted from the corporate substantial shareholder notice of Shanghai Automotive Industry Corporation (Group) filed on 23 May 2022 as shown on the website of the Stock Exchange.
- Such information is extracted from the corporate substantial shareholder notice of Shanghai Automotive Industry Corporation (Group) filed on 7 October 2022 as shown on the website of the Stock Exchange.
- Such information is extracted from the corporate substantial shareholder notice of Xingtai Capital Management Limited filed on 5 October 2022 as shown on the website of the Stock Exchange.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, no person (other than the Directors, Supervisors and chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company recorded in the register required to be kept by the Company under section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the issued voting Shares of the Company, or any options in respect of such share capital.

As at the Latest Practicable Date, so far as is known to the Directors, each of Ms. Xu Ying, Dr. Zhou Qi, Ms. Lin Weihua and Ms. Gu Xiaoqiong was an employee with the SAIC Motor Group (whereas SAIC Motor was a controlling shareholder of the Company as at the Latest Practicable Date).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and Supervisors is a director or employee of a company who has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

4. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates (as defined in the Listing Rules) was interested in any business (apart from the Company's business) which competes or is likely to compete, either directly or indirectly, with the Company's business (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules if each of them were a controlling Shareholder).

5. INTERESTS IN THE COMPANY'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE COMPANY

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to the Company, or were proposed to be acquired or disposed of by or leased to the Company.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contracts or arrangements, subsisting at the Latest Practicable Date, which were significant in relation to the business of the Company.

6. QUALIFICATIONS AND EXPERTS

The following is the qualification of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of the text of its letter, report, recommendation, opinion, and/or references to its name in the form and context in which it appears.

To the best of the Directors' knowledge, the above-mentioned expert is a third party independent from the Company and its connected persons. As at the Latest Practicable Date, the above-mentioned expert did not have any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to the Company, or are proposed to be acquired or disposed of by or leased to the Company.

As at the Latest Practicable Date, the above-mentioned expert was neither beneficially interested in the share capital of the Company nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

8. MATERIAL CONTRACTS

The Company has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular.

9. GENERAL

- (i) The registered office and head office of the Company is at Unit ABC, 30/F., Mirae Asset Tower No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.
- (ii) The principal place of business of the Company in Hong Kong is at Suites 3901-3903, 39th Floor, Tower 2, Times Square, No. 1 Matheson Street, Causeway Bay, Hong Kong.
- (iii) The H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, is at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) As at the Latest Practicable Date, Mr. Chan Pak Hung is the company secretary of the Company. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and has over 15 years of experience in corporate finance, compliance and company secretarial fields.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at <https://www.dongzhengafc.com> for a period of 14 days from the date of this circular (both days inclusive):

- (i) the Financial Services Agreement;
- (ii) the letter from the Independent Financial Adviser, the text of which is set out on pages 15 to 28 of this circular; and
- (iii) the written consent referred to under the section headed “6. Qualifications and Experts” in this Appendix.



Shanghai Dongzheng Automotive Finance Co., Ltd.*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2718)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the “AGM”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (the “**Company**”) will be held at 2:00 p.m. on Thursday, 29 June 2023 at 12/F (Nominal Floor: 15/F), Building Two, No.58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC, to consider and, if thought fit, pass the following resolutions. Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the circulars of the Company dated 30 May 2023.

ORDINARY RESOLUTIONS

1. To consider and approve the report of the Directors for the year ended 31 December 2022.
2. To consider and approve the report of the Board of Supervisors for the year ended 31 December 2022.
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2022.
4. To consider and approve the annual report of the Company for the year ended 31 December 2022.
5. To consider and approve the authorisation to the Board to approve annual financial budget of the Company for the year ending 31 December 2023.
6. To consider and, if thought fit, approve that the Company will not declare final dividend for the year ended 31 December 2022.
7. To consider and approve the authorisation to the Board to deal with all issues in relation to the Company’s distribution of interim dividend for the year 2023 at its absolute discretion (including, but not limited to determining whether to distribute interim dividend for the year 2023).

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

8. To authorise the Board to determine the remuneration of the Directors and Supervisors for the year 2023.
9. To consider and approve the re-appointment of Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP as the overseas and domestic auditors of the Company respectively for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine its remuneration.
10. To consider and approve the proposed amendments to the Rules of Procedure for Meetings of the Board of Supervisors.
11. **“THAT**
 - (a) The Financial Services Agreement, a copy of which is tabled at the meeting and marked “A” and initialed by the chairlady of the meeting for identification purpose, the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (b) the proposed annual caps for the period commencing from 1 July 2023 and ending on 30 June 2026 in respect of the Financial Services Agreement be and are hereby approved; and
 - (c) any one of the Chairlady or the executive Director be and is hereby authorised to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Financial Services Agreement.”

SPECIAL RESOLUTION

12. **“THAT**
 - (i) the proposed amendments to the Articles of Association (the **“Proposed Amendments”**) as set out in the AGM Circular be and are hereby approved and adopted; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) any one of the Chairlady or the executive Director be and is hereby authorised to do all such acts as he or she deems fit to give effect to the Proposed Amendments and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations.”

By Order of the Board
Shanghai Dongzheng Automotive Finance Co., Ltd.*
Xu Ying
Chairlady and Non-executive Director

Shanghai, PRC, 30 May 2023

Notes:

1. According to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the AGM will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafc.com upon the conclusion of the AGM.
2. A shareholder entitled to attend and vote at the AGM announced to be convened herein is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a shareholder of the Company.
3. The proxy form together with notarised authorisation letters of signatories or other authorisation documents (if any) shall be invalid unless they are duly filled out and returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company's correspondence address at 12/F (Nominal Floor: 15/F), Building Two, No.58, Yao Yuan Road, Pudong New Area, Shanghai, the PRC (for Domestic Shareholder and Unlisted Foreign Shareholder) not less than 24 hours before the time fixed for convening the AGM or at any adjourned meeting(s) thereof. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting(s) thereof in person should you so wish.
4. In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the Company's H shares register of members will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023 (both days inclusive), during which period no transfer of H Shares will be effected. In order for the H Shareholders to qualify for attending and voting at the AGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Friday, 23 June 2023.
5. For joint holders, only the one whose name stands first in the register shall be entitled to attend the AGM and vote in respect thereof.
6. Shareholders or their proxies shall present their identity documents when attending the AGM:
 - (1) Corporate shareholders' legal representatives attending the meeting shall present their valid personal identification, valid documents that can prove their identities as legal representatives and documents proving their shareholder identities; where legal representatives authorise others to attend the meeting, in addition to the aforesaid documents, the proxies shall also present their valid

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

personal identification and the written authorisation letters lawfully issued by the legal representatives (including authorizing others to sign). Where corporate shareholders authorise others to attend the meeting, the proxies shall present their valid personal identification, the authorisation resolution of the board of directors of corporate shareholders or other decision-making bodies and documents proving shareholder identities.

- (2) Natural person shareholders attending the meeting in person shall present their valid personal identification and documents proving their shareholder identities; proxies attending the meeting shall present their valid personal identification, the authorisation letters from the shareholders and documents proving their shareholder identities.
7. The AGM is expected to last for not more than half a day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.
8. The address of Computershare Hong Kong Investor Services Limited are 17M Floor and Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
9. The address of Company’s registered office is Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC.
Telephone: 86 (21) 2068 9999
Facsimile: 86 (21) 2068 9996
10. For details regarding Resolutions No. 1–No. 10 and No. 12, please refer to the circular of the Company dated 30 May 2023 (“**AGM Circular**”) titled “Proposed amendments to the Articles of Association, proposed amendments to the Rules of Procedure for meetings of the Board of Supervisors and proposed re-appointment of auditors and notice of Annual General Meeting”. For details regarding Resolution No. 11, please refer to the circular of the Company dated 30 May 2023 (“**CCT Circular**”) titled “Major and continuing connected transactions in respect of Financial Services Agreement and notice of Annual General Meeting”. Unless indicated otherwise, capitalised terms used in the respective resolutions shall have the same meanings as those defined in the respective circulars.
11. Resolution No. 11 will be voted by poll by the Independent Shareholders (as defined in the CCT Circular).

As at the date of this notice, 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.