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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and reply slip, 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)**

**PROPOSED ADOPTION OF FINANCIAL BUDGET FOR 2020  
PROPOSED RE-APPOINTMENT OF AUDITOR  
AND  
PROPOSED GENERAL MANDATE TO ISSUE  
DEBT FINANCING INSTRUMENTS**

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The Annual General Meeting of Shanghai Dongzheng Automotive Finance Co., Ltd.\* will be held at 2:00 p.m. on Wednesday, 10 June 2020 at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC.

Notice of the AGM together with the relevant form of proxy and reply slip were despatched to the H Shareholders on Wednesday, 22 April 2020. Such documents were also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.dongzhengafc.com](http://www.dongzhengafc.com)). For ease of reference, the notice of the AGM is set out on pages 8 to 11 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice of the Annual General Meeting carefully and to complete the proxy form enclosed with the same 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 registered office at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC (for Domestic Shareholders and Unlisted Foreign Shareholders), in any event served by hand or by post not less than 24 hours before the time appointed for convening the Annual General Meeting or any adjourned meeting thereof. 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.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the reply slip to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company's registered office (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before Thursday, 21 May 2020.

\* For identification purposes only

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## DEFINITIONS

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

“AGM” or “Annual General Meeting”	the 2019 annual general meeting of the Company to be held at 2:00 p.m. on Wednesday, 10 June 2020 at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Company”	Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares are listed on the Stock Exchange (Stock Code: 2718)
“Debt Financing Instruments”	has the meaning ascribed to it under section headed “2. Matters to be considered at the AGM — (III) Proposed general mandate to issue debt financing instruments” of this circular
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
“Domestic Shareholder(s)”	holders of Domestic Shares
“Financial Budget”	the annual financial budget of the Company for the year ending 31 December 2020
“H Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Latest Practicable Date”	21 April, 2020, 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
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the share capital of the Company, including Domestic Shares, Unlisted Foreign Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unlisted Foreign Share(s)”	issued ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and held by persons other than PRC nationals or PRC-incorporated entities and are not listed on any stock exchange
“Unlisted Foreign Shareholder(s)”	holder(s) of Unlisted Foreign Share(s)



**Shanghai Dongzheng Automotive Finance Co., Ltd.\***

**上海東正汽車金融股份有限公司**

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

**(Stock code: 2718)**

*Executive Directors:*

Mr. Lin Fan (*Chairman*)

Mr. Shao Yongjun

*Registered office:*

Unit ABC, 30/F, Mirae Asset Tower

No. 166, Lu Jia Zui Ring Road

Shanghai, the PRC

*Non-executive Directors:*

Mr. Koh Tee Choong

Mr. Li Guozhou

*Principal place of business in Hong Kong:*

Unit 5905, 59/F

The Center

99 Queen's Road Central

Hong Kong

*Independent non-executive Directors:*

Mr. Wong Man Chung Francis

Mr. Lin Zheyang

Ms. Liang Yanjun

25 April 2020

*To the Shareholders,*

**PROPOSED ADOPTION OF FINANCIAL BUDGET FOR 2020  
PROPOSED RE-APPOINTMENT OF AUDITOR  
AND  
PROPOSED GENERAL MANDATE TO ISSUE  
DEBT FINANCING INSTRUMENTS**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM in relation to, among other matters: (i) the adoption of the Financial Budget; (ii) re-appointment of auditor of the Company; and (iii) the grant of a general mandate to the Board to issue the Debt Financing Instruments.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### 2. MATTERS TO BE CONSIDERED AT THE AGM

#### (I) PROPOSED ADOPTION OF THE FINANCIAL BUDGET FOR 2020

The Financial Budget was considered and approved by the Board on 27 March 2020 and will be proposed at the AGM for consideration and approval. The details of the Financial Budget are as follows:

##### *I. Preparation of Financial Budget*

The Financial Budget is prepared on a prudent basis, with reference to the highlights of the operating conditions in 2019 and the analysis over the operating conditions in 2020, as well as the Company's development strategy, taking into consideration the impacts on the budgeting period from the automobile market conditions, business expansion, capital markets, and other factors, as well as expansion plans for various business segments in 2020. The preparation basis for the Financial Budget assumes that the Company can achieve the operating plan according to the designated volume in a timely manner.

##### *II. Basis of Assumption*

1. There is no material change to the current prevailing national and local laws, regulations, and systems of the national and local jurisdictions to which the Company comply with.
2. There is no material change to the social and economic conditions of the place where the Company's major operations are conducted and of the regions involving the Company's business.
3. There is no material change to the industry conditions and market conditions.
4. The sales market of passenger cars is expected to recover and remain stable starting from the second quarter due to the COVID-19 impact.
5. There is no material change to the current production and organization structure of the Company.

##### *III. Financial Budget*

In 2020, it is expected that the Company's loan size and asset quality will be basically consistent with those in 2019, and the Company will ensure sufficiency of liquidity to meet the needs of its business development.

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## LETTER FROM THE BOARD

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It is specifically reminded that the Financial Budget is an indicator for internal management and control of the Company's business plan in 2020 and is not representative of the Company's profit forecast in 2020. Whether the Financial Budget could be achieved depends on a number of factors including changes in market conditions and the extent of efforts of the Company's operation team, which are subject to a high degree of uncertainty. Investors should pay special attention.

### (II) PROPOSED RE-APPOINTMENT OF AUDITOR

The Company's auditor, KPMG, shall retire, and is eligible for re-appointment as auditor of the Company. It is proposed at the AGM to re-appoint KPMG as auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to fix the remuneration of the auditor appointed for the said term.

### (III) PROPOSED GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

In order to satisfy the Company's objective of long-term and stable development, optimize capital structure and to take advantage of favourable market opportunities, the Company proposes to grant a general and unconditional mandate to the Board to conduct debt financing. The debt financing instruments in the principal amount of not more than RMB2.5 billion (inclusive) in aggregate or the equivalent in foreign currency (the "**Debt Financing Instruments**") will be issued in one or several tranches in domestic or overseas markets, including but not limited to securities market bonds, corporate bonds, company bonds, asset-backed securities, asset-backed notes, domestic or overseas debt financing instruments denominated in Renminbi or foreign currencies, as permitted by regulatory authorities.

It is proposed at the AGM to grant a general and unconditional mandate to the Directors, and consent to the Board to further authorize the executive Directors to handle all relevant matters in relation to the issuance of the Debt Financing Instruments, including but not limited to, applying for registration, signing relevant declarations and issuance of documents and agreements. The proposed grant of the general mandate to the Board to issue the Debt Financing Instruments is subject to the approval of the Shareholders at the AGM by way of special resolution. The validity of the mandate is proposed to be from the date of which the relevant resolution is passed at the AGM to the date of the Company's 2020 annual general meeting.

The Board and the delegated executive Directors shall exercise the aforesaid mandate prudently. Exercise of power according to this general mandate must comply with the Listing Rules, the Articles of Association, and the applicable laws and regulations of the PRC.

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## LETTER FROM THE BOARD

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### 3. CLOSURE OF REGISTER OF MEMBERS

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, 11 May 2020 to Wednesday, 10 June 2020 (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, 8 May 2020.

### 4. AGM

The Board proposed to seek the Shareholders' approval at the AGM to approve, among others: (i) the adoption of the Financial Budget; (ii) re-appointment of auditor of the Company; and (iii) the grant of general mandate to the Board to issue the Debt Financing Instruments. Notice of the AGM together with the proxy form and the reply slip were despatched to the H Shareholders on Wednesday, 22 April 2020 and were also published on the websites of the Stock Exchange and the Company. A copy of the notice of the AGM is set out on pages 8 to 11 of this circular for ease of reference.

### 5. REPLY SLIP AND PROXY ARRANGEMENT

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the enclosed proxy form in accordance with the instructions printed thereon, the proxy form should be returned to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for (H Shareholders) or to the Company's registered office at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC (for Domestic Shareholders and Unlisted Foreign Shareholders) in any event not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof in person or by post. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company's registered office at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC (for Domestic Shareholders and Unlisted Foreign Shareholders) on or before Thursday, 21 May 2020.

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## LETTER FROM THE BOARD

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### 6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all resolutions proposed at the AGM will be voted by poll. The poll results will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.dongzhengafc.com](http://www.dongzhengafc.com) upon the conclusion of the AGM.

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

### 7. RECOMMENDATION

The Board considers that all the resolutions to be proposed at the AGM are in the interests of the Company and its Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM.

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



**Shanghai Dongzheng Automotive Finance Co., Ltd.\***

**上海東正汽車金融股份有限公司**

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

**(Stock code: 2718)**

**NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that** the 2019 annual general meeting (the “AGM”) of Shanghai Dongzheng Automotive Finance Co., Ltd.\* (the “Company”) will be held at Vision 1, 3F, Hilton Shenzhen Futian, 1003 Shennan Road, Futian, Shenzhen, the PRC at 2:00 p.m. on Wednesday, 10 June 2020, to consider and, if thought fit, pass the following resolutions.

**ORDINARY RESOLUTIONS**

1. To consider and approve the report of the Directors for the year ended 31 December 2019.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2019.
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2019.
4. To consider and approve the annual report of the Company for the year ended 31 December 2019.
5. To consider and approve the annual financial budget of the Company for the year ending 31 December 2020.
6. To consider and, if thought fit, approve that the Company will not declare final dividend for the year ended 31 December 2019.
7. To consider and approve the authorization to the Board to deal with all issues in relation to the Company's distribution of interim dividend for the year 2020 at its absolute discretion (including, but not limited to determining whether to distribute interim dividend for the year 2020).

\* *For identification purposes only*

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To authorise the Board to determine the remuneration of the Directors and supervisors of the Company for the year 2020.
9. To consider and approve the re-appointment of KPMG as the auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine its remuneration.

### SPECIAL RESOLUTION

10. To consider and approve the grant of a general mandate to the Board to issue the Debt Financing Instruments.

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

Shanghai, PRC, 22 April 2020

*As at the date of this notice, the Board comprises Mr. Lin Fan and Mr. Shao Yongjun as executive Directors; Mr. Koh Tee Choong and Mr. Li Guozhou as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Lin Zheyang and Ms. Liang Yanjun as independent non-executive Directors.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.dongzhengafcc.com](http://www.dongzhengafcc.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 filled out and returned to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company's registered office (for Domestic Shareholder and Unlisted Foreign Shareholder) not less than 24 hours before the time designated for holding the AGM or any adjournment thereof. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Center, 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 any adjournment thereof if 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, 11 May 2020 to Wednesday, 10 June 2020 (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, 8 May 2020.
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 who intend to attend the AGM in person or by proxy shall submit the reply slip for AGM in person or by mail to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Company's registered office (for Domestic Shareholder and Unlisted Foreign Shareholder) on or before Thursday, 21 May 2020.
7. 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 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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8. 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.
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. Details of the resolutions proposed for the consideration and approval of the AGM are set out in the circular of the AGM to be despatched by the Company on or around 25 April 2020. Shareholders should read in conjunction with the Company's 2019 annual report and circular of the AGM to be despatched by the Company on or around 25 April 2020.