
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

**PROPOSED ELECTION
AND RE-ELECTION OF DIRECTORS;
PROPOSED RE-ELECTION OF SUPERVISOR;
PROPOSED RE-APPOINTMENT OF AUDITOR;
AND
PROPOSED GENERAL MANDATE TO ISSUE
DEBT FINANCING INSTRUMENTS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The Annual General Meeting of Shanghai Dongzheng Automotive Finance Co., Ltd.* will be held at 2:00 p.m. on Wednesday, 26 May 2021 at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC. A notice convening the AGM is set out on pages 15 to 18 of this circular.

Whether or not you are able to attend the AGM, 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 registered office at Unit ABC, 30/F, Mirae Asset Tower, No. 166 Lu Jia Zui Ring Road, 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(s) 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 Annual General Meeting or any adjourned meeting(s) thereof should you so wish.

* For identification purposes only

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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 2:00 p.m. on Wednesday, 26 May 2021 at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, Shanghai, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Audit Committee”	audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Company”	Shanghai Dongzheng Automotive Finance Co., Ltd.* (上海東正汽車金融股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares are listed on the 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 — (IV) 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)”	holder(s) of Domestic Shares
“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

DEFINITIONS

“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	20 April 2021, 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
“Nomination Committee”	nomination committee of the Board
“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
“Remuneration Committee”	remuneration and evaluation committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Risk Management Committee”	risk management committee of the Board
“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)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“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

DEFINITIONS

“Unlisted Foreign Shareholder(s)”

holder(s) of Unlisted Foreign Shares

“ZhengTong”

China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a controlling shareholder of the Company, a company incorporated on 9 July 2010 as an exempted company with limited liability under the laws of the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange (stock code: 1728)



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

Independent Non-executive Directors:

Mr. Wong Man Chung Francis
Ms. Liang Yanjun

99 Queen's Road Central
Hong Kong

24 April 2021

To the Shareholders,

**PROPOSED ELECTION
AND RE-ELECTION OF DIRECTORS;
PROPOSED RE-ELECTION OF SUPERVISOR;
PROPOSED RE-APPOINTMENT OF AUDITOR;
AND
PROPOSED GENERAL MANDATE TO ISSUE
DEBT FINANCING INSTRUMENTS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and the information in respect of the resolutions to be proposed at the AGM in relation to, among other matters: (i) the election and re-election of Directors of the second session of the Board of Directors; (ii) the re-election of Supervisor of the second session of the Supervisory Committee; (iii) the re-appointment of auditor of the Company; and (iv) the grant of a general mandate to the Board to issue the Debt Financing Instruments.

* *For identification purposes only*

LETTER FROM THE BOARD

2. MATTERS TO BE CONSIDERED AT THE AGM

(I) PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS OF THE SECOND SESSION OF THE BOARD OF DIRECTORS

As the term of office of the first session of the Board is due to expire, it is proposed that (i) Mr. Lin Fan and Mr. Shao Yongjun be re-elected as the executive Directors of the second session of the Board; (ii) Mr. Koh Tee Choong and Mr. Li Guozhou be re-elected as the non-executive Directors of the second session of the Board; and (iii) Mr. Wong Man Chung Francis and Ms. Liang Yanjun be re-elected as the independent non-executive Directors of the second session of the Board. Each of the proposed Directors shall be appointed for a term of three years commencing from the date of passing the relevant resolution at the AGM by way of an ordinary resolution. It is also proposed that Professor Qin Zheng be elected as an independent non-executive Director of the second session of the Board. The first session of the Board shall expire upon the formation of the second session of the Board. Please refer to the below for the biographies of the candidates of Directors.

Candidates of Executive Directors

Mr. Lin Fan, aged 54, is an executive Director and the chairman of the Board. He is also the chairman of the Risk Management Committee. He joined the Company in February 2017 and is responsible for the overall strategic planning and business direction and management of the Company.

Mr. Lin has over 30 years' experience in the finance industry. From July 1988 to September 2015, Mr. Lin successively served in several managing positions with business and finance functions in Hubei and Sanxia branches, and the headquarters of China Construction Bank ("CCB"), including a vice president of the Hubei branch of CCB, the president of the Sanxia branch of CCB. From November 2015 to February 2017, he served as the vice chairman of the board of Shenzhen Han De Chuang Ke Finance Investment Co., Ltd. (深圳瀚德創客金融投資有限公司), a finance technology company. Mr. Lin received a bachelor's degree in finance and accounting from Zhongnan University of Economics and Law, formerly known as Zhongnan University of Economics), and a bachelor's degree in economic law from Wuhan University. He also received a doctoral graduate degree in national economics from Zhongnan University of Economics and Law. Mr. Lin was accredited as a senior accountant by CCB.

If appointed, Mr. Lin will enter into a Director's service agreement with the Company. Pursuant to the service agreement, Mr. Lin will be entitled to receive remuneration including salary, discretionary bonus, contributions to retirement benefit and other benefits. Mr. Lin's remuneration will be determined with reference to his experience, qualifications and duties. Details of the remuneration of the Directors have been disclosed in the Company's annual report.

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Mr. Shao Yongjun, aged 45, is an executive Director and a member of the Risk Management Committee. He joined the Company in March 2015 and is responsible for the overall strategic planning and business direction and management of the Company.

Mr. Shao has over 15 years' experience in management. Prior to joining the Company, Mr. Shao has served as the vice president and an executive director of ZhengTong responsible for its investor relations and auto financing business from July 2011 to April 2019. Mr. Shao received a bachelor's degree with a major in accounting from Shenzhen University and an executive master of business administration degree from Shanghai Jiao Tong University. He previously worked as an auditor of KPMG China, the general manager of Shenzhen Zhao Hong Yuan Technology Co., Ltd. (深圳市兆鴻源科技有限公司) and the vice president of Hua Xiang Group (華祥集團), a real property developing and investing company.

If appointed, Mr. Shao will enter into a Director's service agreement with the Company. Pursuant to the service agreement, Mr. Shao will be entitled to receive remuneration including salary, discretionary bonus, contributions to retirement benefit and other benefits. Mr. Shao's remuneration will be determined with reference to his experience, qualifications and duties. Details of the remuneration of the Directors have been disclosed in the Company's annual report.

Candidates of Non-Executive Directors

Mr. Koh Tee Choong, aged 62, joined the Company as a non-executive Director in August 2018. Mr. Koh is a member of the Remuneration Committee and the Nomination Committee.

Mr. Koh has extensive operational and management experience in the luxury-brand dealership market. Before his retirement from ZhengTong in June 2020, Mr. Koh was an executive director and the chief executive officer of ZhengTong. Prior to joining ZhengTong in January 2017, Mr. Koh served at BMW Asia Pte Ltd and was the president of BMW China Automotive Trading Ltd. (寶馬(中國)汽車貿易有限公司) to head up BMW China business. Mr. Koh received a diploma in business studies in November 1984 and a graduate diploma in marketing management in June 1986 from the Singapore Institute of Management. Mr. Koh received a master's degree in Business Administration from the University of Durham in December 1991 through distant learning. Mr. Koh also obtained a diploma in marketing from The Institute of Marketing in November 1986.

If appointed, Mr. Koh will enter into a Director's service agreement with the Company. Mr. Koh, as a non-executive Director, will not receive remuneration from the Company.

LETTER FROM THE BOARD

Mr. Li Guozhou, aged 55, joined the Company as a non-executive Director in September 2019.

Mr. Li has extensive accounting and management experience in the automobile manufacturing industry, including acting as the general manager of Dongfeng Peugeot Citroën Automobile Finance Co., Ltd. (東風標緻雪鐵龍汽車金融有限公司) and a deputy general manager of business and a member of the executive committee of Dongfeng Peugeot Citroën Automobile Co., Ltd. (神龍汽車有限公司). Mr. Li has served as a treasury manager of finance and accounting department of Dongfeng Motor Corporation (東風汽車集團有限公司), a Shareholder, from December 2018 to September 2020. Since September 2020, Mr. Li has served as the deputy general manager of Dongfeng Motor Finance Co., Ltd. (東風汽車財務有限公司). Mr. Li received a bachelor's degree in computer science and engineering from Southeast University (東南大學, formerly known as Nanjing College of Technology (南京工學院)) in July 1987. Mr. Li has also been recognized as a senior accountant by Dongfeng Motor Human Resources Department (東風汽車公司人事部). Mr. Li was previously a lecturer at Wuhan University of Technology (formerly known as Wuhan Jiaotong Technology University (武漢交通科技大學)).

If appointed, Mr. Li will enter into a Director's service agreement with the Company. Mr. Li, as a non-executive Director, will not receive remuneration from the Company.

Candidates of Independent Non-Executive Directors

Mr. Wong Man Chung Francis, aged 56, joined the Company as an independent non-executive Director in February 2020. Mr. Wong is the chairman of each of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee and the Risk Management Committee.

He is currently a non-executive chairman of Union Alpha C.P.A. Limited, a non-executive director of Union Alpha CAAP Certified Public Accountants Limited, and a founding director and member of Francis M. C. Wong Charitable Foundation Limited. Mr. Wong holds a master's degree in management from Jinan University (暨南大學) in the PRC. He is also a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Society of Chinese Accountants and Auditors, and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He is a practising certified public accountant and has over 30 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring or liquidation, family trust and wealth management. Mr. Wong is currently an independent non-executive director of the following companies listed on the Stock Exchange: Qeeka Home (Cayman) Inc. (stock code: 1739); Hilong Holding Limited (stock code: 1623); GCL-Poly

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Energy Holdings Limited (stock code: 3800); Greenheart Group Limited (stock code: 94); Integrated Waste Solutions Group Holdings Limited (stock code: 923); Wai Kee Holdings Limited (stock code: 610); Digital China Holdings Limited (stock code: 861), China Oriental Group Company Limited (stock code: 581) and IntelliCentrics Global Holdings Ltd. (stock code: 6819). During the period from June 2016 to August 2018 and from March 2017 to December 2019, he served as an independent non-executive director of Kunming Dianchi Water Treatment Co., Ltd (stock code: 3768) and China New Higher Education Group Limited (stock code: 2001) respectively.

If appointed, Mr. Wong will enter into a Director's service agreement with the Company. Pursuant to the service agreement, Mr. Wong will be entitled to receive an annual director's remuneration of HK\$330,000. Mr. Wong's remuneration is determined with reference to his experience, qualification and duties. Details of the remuneration of the Directors have been disclosed in the Company's annual report.

Ms. Liang Yanjun, aged 37, joined the Company as an independent non-executive Director in August 2018. Ms. Liang is the chairlady of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee.

Ms. Liang is currently a partner at Javy Tayn Lawyers (嘉維泰銀律師事務所), a law firm in the PRC. Ms. Liang is well experienced in legal practice. She has previously practiced as a lawyer with various law firms in the PRC including Jingtian & Gongcheng (北京市競天公誠律師事務所), Beijing Maode Law Firm (北京懋德律師事務所) and B&D Law Firm (北斗鼎銘律師事務所). Ms. Liang received a law degree from China University of Political Science and Law (中國政法大學) in China and received her lawyer's practicing certificate granted by the Ministry of Justice of the PRC. She is also an independent non-executive director of Fu Shou Yuan International Group Limited, a company listed on the Stock Exchange (stock code: 1448).

If appointed, Ms. Liang will enter into a Director's service agreement with the Company. According to the service agreement, Ms. Liang will be entitled to receive an annual director's remuneration of HK\$330,000. Ms. Liang's remuneration is determined with reference to her experience, qualification and duties. Details of the remuneration of the Directors have been disclosed in the Company's annual report.

Professor Qin Zheng, aged 62, joined the Southern University of Science and Technology in 2011 and is currently a professor and doctoral supervisor of the College of Business of the Southern University of Science and Technology. Professor Qin was a professor and doctoral supervisor of the School of Management of the Xi'an Jiaotong University and the School of Information Management and Engineering of the Shanghai University of Finance and Economics, and was a senior visiting scholar at The University of Sydney. In

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the course of 25 years of teaching, Professor Qin took up various research projects from the national level, provincial level and from government and enterprises etc. He has published over 100 journals and over 10 academic publications and is well experienced in teaching and enterprise management. Professor Qin received his master's degree and doctorate degree in engineering from Xidian University in the PRC.

If appointed, Professor Qin will enter into a Director's service agreement with the Company. The term of office of Professor Qin will commence from the date of approval by CBIRC and end on the expiry of the second session of the Board. Professor Qin may be re-elected upon expiration of his term of office. According to the service agreement, Professor Qin will be entitled to receive an annual director's remuneration of HK\$330,000. Professor Qin's remuneration is determined with reference to his experience, qualification and duties.

As at the Latest Practicable Date, each of the proposed Directors did not hold any interests or short positions in the shares or underlying shares of the Company or its associated corporation which are discloseable under Part XV of the SFO. Save as disclosed above, each of the proposed Directors did not hold any directorships in other public companies the securities of which are listed on any securities market in the PRC, Hong Kong or overseas in the past three years, nor did he/she have any other relationship with any Directors, Supervisors, senior management or substantial shareholders or controlling shareholders of the Company, and nor did he/she hold other positions in the Company or major appointments and professional qualifications.

The Board believes that each of Mr. Wong's, Ms. Liang's and Professor Qin's education background, professional qualifications, and diverse experiences will enable him/her to provide balanced, objective, valuable and diverse views, as well as relevant insights to the Board and contribute to the diversity of the Board. The Board, taking into consideration the qualification, skills, knowledge, and experiences, and having regards to the relevant requirements of the Listing Rules and the Board diversity policy of the Company, believes that each of Mr. Wong, Ms. Liang and Professor Qin is a suitable candidate as the Director.

The Board has reviewed and assessed the independence of each of Mr. Wong, Ms. Liang and Professor Qin with respect to his/her confirmation of independence in accordance with Rule 3.13 of the Listing Rules, and is of the opinion that each of them satisfies the independence requirements.

Notwithstanding Mr. Wong currently serves as an independent non-executive director of ten listed companies (including the directorship in the Company), Mr. Wong believes that he continues to have sufficient time to discharge his duties as a director, based on the following factors: (1) Mr. Wong does not hold any executive role in Union Alpha C.P.A. Limited and Union Alpha CAAP Certified Public Accountants Limited and is not involved in their daily operation; (2) since his appointment as the independent non-executive Director in February 2020, Mr.

LETTER FROM THE BOARD

Wong attended all general meetings, Board meetings and Board committee meetings of the Company; (3) Mr. Wong did not hold any senior management role in the other listed companies. His involvement in other listed companies as an independent non-executive director does not require him to participate in the day-to-day management of these companies and does not require him to devote substantial time and attention as is required from senior management members of listed companies; (4) Mr. Wong's experience as an independent non-executive director of listed companies in Hong Kong would facilitate his understanding of corporate governance and his proper discharge of responsibilities as a director; and (5) Mr. Wong has undertaken to devote sufficient time to attend to the management of the Company. Taking into the above reasons, the Board believes that Mr. Wong will be able to devote sufficient time to the Company and will be able to discharge his duties as an independent non-executive Director.

Save as disclosed above, the Board, to the best of its knowledge, is not aware of any other matters in relation to the appointment of each of the proposed Directors that need to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

(II) PROPOSED RE-ELECTION OF SUPERVISOR OF THE SECOND SESSION OF THE SUPERVISORY COMMITTEE

The term of office of the first session of the Supervisory Committee is due to expire. According to the provisions of the Company Law of the PRC and the Articles of Association, where a company has not re-elected a supervisor upon the expiry of his/her term of office or the number of supervisors is less than the required quorum as a result of the resignation of a supervisor, the existing supervisor shall continue to serve as a supervisor until the newly elected supervisor commences his/her term of office. Accordingly, it is proposed that Mr. Li Huihua be re-elected as Shareholders representative Supervisor of the second session of the Supervisory Committee. The proposed Supervisor shall be appointed for a term of three years commencing from the date of passing the relevant resolution at the AGM by way of an ordinary resolution. Due to his health reason, Mr. Li Tao shall not offer himself for re-election as Shareholder representative Supervisor of the second session of the Supervisory Committee. Accordingly, Mr. Li Tao shall continue to assume office until the newly elected Supervisor commences his/her term of office. Mr. Li Tao confirmed that he had no disagreement with the Supervisory Committee and the Board, nor was there any matter relating to his resignation (which shall be effective upon the appointment of the new Supervisor) that needs to be brought to the attention of the Shareholders. Ms. Wang Qing has been re-elected as the employees representative Supervisor of the second session of the Supervisory Committee with effect from the date of the AGM. Please refer to the below for the biographies of the candidate of the Shareholders representative Supervisor and the employees representative Supervisor.

LETTER FROM THE BOARD

Candidate for Shareholders representative Supervisor

Mr. Li Huihua, aged 48, was appointed as a Supervisor in March 2016, and became the chairman of the Supervisory Committee in May 2018.

Mr. Li Huihua has over 16 years of experience in financing and auditing. He joined ZhengTong in November 2012 as the general manager of the audit department. He has previously served as an auditor of Skyworth Group Co., Ltd (創維集團有限公司), and in the audit department and internal control department of Shenzhen SCAS Investment Group Co., Ltd (深圳市中汽南方投資集團有限公司). He received a bachelor's degree in industrial management engineering from Hunan University. He was awarded as an accountant by the Ministry of Finance of the PRC and as a certified public accountant (non-practicing member) by the Chinese Institute of Certified Public Accountants.

If appointed, Mr. Li Huihua will enter into a Supervisor's service agreement with the Company. Mr. Li Huihua will not receive remuneration from the Company.

Employees Representative Supervisor

Ms. Wang Qing, aged 31, was appointed as the employees representative Supervisor in May 2018. She joined the Company in April 2016 and is currently the manager of the legal department.

Prior to joining the Company, Ms. Wang worked at the Shanghai Branch of Ping An Data Technology (Shenzhen) Co., Ltd. (平安數據科技(深圳)有限公司上海分公司) and Sunshine P&C Insurance Co., Ltd. (陽光財產保險股份有限公司). Ms. Wang received from Shanghai University a bachelor's degree in law in 2012 and a master's degree in law in 2019.

Ms. Wang will enter into a Supervisor's service agreement with the Company. Pursuant to the service agreement, Ms. Wang, as the employees representative Supervisor, will be entitled to receive remuneration including salary, discretionary bonus, contributions to retirement benefit and other benefits. Ms. Wang's remuneration will be determined with reference to her experience, qualifications and duties. Details of the remuneration of the Supervisors have been disclosed in the Company's annual report.

As at the Latest Practicable Date, each of the proposed Supervisors did not hold any interests or short positions in the shares or underlying shares of the Company or its associated corporation which are discloseable under Part XV of the SFO. Save as disclosed above, each of the proposed Supervisors did not hold any directorships in other public companies the securities of which are listed on any securities market in the PRC, Hong Kong or overseas in the past three years, nor did he/she have any other relationship with any Directors, Supervisors, senior

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management or substantial shareholders or controlling shareholders of the Company, and nor did he/she hold other positions in the Company or major appointments and professional qualifications.

Save as disclosed above, the Board, to the best of its knowledge, is not aware of any other matters in relation to the appointment of each of the proposed Supervisors that need to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

(III) 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.

(IV) 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 next 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.

LETTER FROM THE BOARD

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 Friday, 21 May 2021 to Wednesday, 26 May 2021 (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 Thursday, 20 May 2021.

4. PROXY ARRANGEMENT

The proxy form of the AGM is enclosed.

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, and the proxy form should be returned to the Company's H Share registrar, 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 Shareholder and Unlisted Foreign Shareholder, in any event not less than 24 hours before the time fixed for convening the AGM or any adjourned meeting(s) 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(s) thereof should you so wish.

5. 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 HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dongzhengafcc.com upon the conclusion of the AGM.

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

LETTER FROM THE BOARD

6. RECOMMENDATION

The Board considers that all the proposed resolutions at the AGM are in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favor of the proposed resolutions 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 annual general meeting (the “AGM”) of Shanghai Dongzheng Automotive Finance Co., Ltd.* (the “Company”) will be held at 2:00 p.m. on Wednesday, 26 May 2021 at Unit ABC, 30/F, Mirae Asset Tower, No. 166, Lu Jia Zui Ring Road, 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 circular of the Company dated 24 April 2021.

ORDINARY RESOLUTIONS

1. To consider and approve the report of the Directors for the year ended 31 December 2020.
2. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2020.
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2020.
4. To consider and approve the annual report of the Company for the year ended 31 December 2020.
5. To consider and approve the authorisation to the Board to approve annual financial budget of the Company for the year ending 31 December 2021.
6. To consider and, if thought fit, approve that the Company will not declare final dividend for the year ended 31 December 2020.
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 2021 at its absolute discretion (including, but not limited to determining whether to distribute interim dividend for the year 2021).

* *For identification purposes only*

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8. To consider and approve the proposal on the election of Directors of the second session of the Board of Directors, and to authorise the Board to determine the remuneration of the Directors for the year 2021:
 - 8.1 To elect Mr. Lin Fan as an executive Director of the second session of the Board of Directors
 - 8.2 To elect Mr. Shao Yongjun as an executive Director of the second session of the Board of Directors
 - 8.3 To elect Mr. Koh Tee Choong as a non-executive Director of the second session of the Board of Directors
 - 8.4 To elect Mr. Li Guozhou as a non-executive Director of the second session of the Board of Directors
 - 8.5 To elect Mr. Wong Man Chung Francis as an independent non-executive Director of the second session of the Board of Directors
 - 8.6 To elect Ms. Liang Yanjun as an independent non-executive Director of the second session of the Board of Directors
 - 8.7 To elect Professor Qin Zheng as an independent non-executive Director of the second session of the Board of Directors
9. To consider and approve the proposal on the election of Supervisor of the second session of the Supervisory Committee, and to authorise the Board to determine the remuneration of the Supervisors for the year 2021:
 - 9.1 To elect Mr. Li Huihua as a Supervisor of the second session of the Supervisory Committee
10. To consider and approve the authorization to the Board to appoint new director(s) to fill up any casual vacancy of the Board, who shall hold office only until the next general meeting of the Company.
11. 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

12. 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, 24 April 2021

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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 Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at 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 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 registered office (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 Friday, 21 May 2021 to Wednesday, 26 May 2021 (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 Thursday, 20 May 2021.
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 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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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

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 and Ms. Liang Yanjun as independent non-executive Directors.