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**Brilliance Auto**

华 晨 汽 车

**BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED**

**( 華 晨 中 國 汽 車 控 股 有 限 公 司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1114)**

**(1) UPDATE ON DELAY IN PUBLICATION  
OF THE 2020 ANNUAL RESULTS;  
(2) FORMATION OF INDEPENDENT BOARD COMMITTEE AND  
INTENDED INDEPENDENT INVESTIGATION;  
(3) DELAY IN DESPATCH OF THE ANNUAL REPORT  
FOR THE YEAR ENDED 31ST DECEMBER, 2020;  
AND  
(4) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Brilliance China Automotive Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 31st March, 2021 (the “**Announcement**”) in relation to the delay in publication of the announcement in relation to the annual results of the Group for the financial year ended 31st December, 2020 (the “**2020 Annual Results**”), the postponement of the meeting of the board of directors of the Company (the “**Board**”) and the suspension of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 31st March, 2021.

\* For identification purposes only

## UPDATE ON DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS

### Regarding unauthorized guarantees and resulting legal proceedings

As disclosed in the Announcement, additional time is required by the Company and its auditors (the “**Auditors**”) to finalize the 2020 Annual Results, among others, the clarification of information relating to certain unauthorized guarantees and resulting legal proceedings involving a subsidiary of the Company.

Based on information which has become available to the Company up to the date hereof, the following is a summary of the information:

1. An indirect wholly-owned subsidiary of the Company, namely 瀋陽金杯汽車工業控股有限公司 (Shenyang JinBei Automotive Industry Holdings Co., Ltd.)\* (“**SJAI**”), has provided several guarantees (collectively the “**Unauthorized Guarantees**”) in favour of the following banks in China to secure loans to 華晨汽車集團控股有限公司 (Huachen Automotive Group Holdings Company Limited)\* (“**Huachen**”), which is the controlling shareholder (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange) of the Company:
  - (a) two guarantees in favour of 中國進出口銀行遼寧省分行 (The Export-Import Bank of China (Liaoning Province Branch))\* (“**Export-Import Bank**”) for the principal amounts of RMB289 million and RMB309 million, respectively;
  - (b) two guarantees in favour of 華夏銀行股份有限公司瀋陽和平支行 (Huaxia Bank Co., Ltd. (Shenyang Heping Branch))\* (“**Huaxia Bank**”) for the principal amounts of RMB400 million and RMB200 million, respectively;
  - (c) a guarantee in favour of 哈爾濱銀行股份有限公司瀋陽分行 (Harbin Bank Co., Ltd. (Shenyang Branch))\* (“**Harbin Bank**”) for the principal amount of RMB300 million; and
  - (d) a guarantee in favour of 中國光大銀行股份有限公司瀋陽分行 (China Everbright Bank Co., Ltd. (Shenyang Branch))\* (“**China Everbright Bank**”) for the principal amount of RMB4,400 million.

The guaranteed amounts set out above also include interests accrued on the respective principal amounts and such other expenses and costs as incurred according to the terms of the respective guarantee contracts.

As at the date of this announcement and based on the respective debt review circulation notices (債務審查流轉單) from each of the Export-Import Bank, Huaxia Bank and Harbin Bank filed in respect of the administration of Huachen and the overdue loan principal and interest collection letter (逾期貸款本息催收函) issued by China Everbright Bank to Huachen, so far as are made available to the Company, it is the understanding of the Company that the current outstanding amounts due and payable by Huachen under the loans owed to the above creditors are approximately (a) RMB612 million to Export-Import Bank; (b) RMB200 million to Huaxia Bank; (c) RMB300 million to Harbin Bank; and (d) RMB2,644 million to China Everbright Bank, respectively.

2. Each of Harbin Bank and China Everbright Bank has commenced proceedings against SJA I claiming amounts of RMB300 million and RMB490 million, respectively. As at the date of this announcement, the Company was informed in a verbal manner that the hearing date for the legal proceedings initiated by Harbin Bank against SJA I has been scheduled to take place on 26th April, 2021, whilst the hearing date for the legal proceedings initiated by China Everbright Bank against SJA I is yet to be fixed. Regarding the legal proceedings initiated by Harbin Bank, Harbin Bank has applied to the Intermediate People's Court of Shenyang City, Liaoning Province (遼寧省瀋陽市中級人民法院) for, and the said court has on 12th March, 2021 granted, an order against SJA I to freeze its bank deposit in the amount of approximately RMB301 million or assets of equivalent value. The related notice of freezing of bank deposit has been given to Shengjing Bank (as defined below) and is for a period of 12 months from 12th March, 2021 to 11th March, 2022.
3. Each of Export-Import Bank and China Everbright Bank has commenced proceedings against SJA I, though as at the date of this announcement, SJA I has not yet received the statement of claim in relation to the proceedings.

(In this announcement, the legal proceedings mentioned in paragraphs 2 and 3 above are collectively referred to as the “**Legal Proceedings**”).

The Board is not aware of the Unauthorized Guarantees and the Legal Proceedings until being notified by the Auditors of the existence of the Unauthorized Guarantees. The Board has not been informed of the Unauthorized Guarantees nor approval from the Board has ever been obtained in relation to the granting of such Unauthorized Guarantees. The Board is of the view that in the absence of proper authorisation, the validity of the Unauthorized Guarantees is questionable. Prior to the Unauthorized Guarantees came to light, the Board is not aware of the Legal Proceedings. SJA I has sought legal advice and will take appropriate actions to vigorously defend the claims under the Legal Proceedings.

### **Regarding additional issues**

On 13th April, 2021, the Board and the Audit Committee of the Board received a letter from the Auditors stating that it was revealed in the bank confirmation letters from the four Shenyang branches/sub-branches of 盛京銀行股份有限公司 (Shengjing Bank Co., Ltd.) (“**Shengjing Bank**”) that (a) the aggregate approximate amount of bank deposit mentioned in the bank confirmation letters was RMB1,730 million less than the amount recorded in the books of SJA I relating to bank deposits; (b) the structured deposit in the amount of RMB650 million recorded in the books of SJA I was not mentioned in the bank confirmation letters of Shengjing Bank; and (c) SJA I has provided guarantees to two companies in the aggregate amount of RMB650 million (collectively the “**Additional Issues**”).

The Board only came to notice of the Additional Issues upon receipt of the Auditors' letter dated 13th April, 2021, whilst the Auditors discussed with the Company about the Additional Issues upon receipt of bank confirmation letters of Shengjing Bank by the Auditors on 7th April, 2021. The Board has not previously been informed of the Additional Issues nor approval from the Board has ever been obtained in relation to the granting of guarantees by SJAI to two other companies. As at the date of this announcement, the Company is in the process of collecting information to verify the nature and amounts in relation to the Additional Issues.

## **FORMATION OF INDEPENDENT BOARD COMMITTEE AND THE INTENDED INDEPENDENT INVESTIGATION**

In light of the identification of the Unauthorized Guarantees and the Legal Proceedings, it is necessary to ascertain, among others, (a) whether there is any additional unauthorized guarantees apart from those identified so far; (b) the circumstances surrounding the signing of the Unauthorized Guarantees and the reason(s) why the internal policy on reporting granting of financial assistance to connected persons has not been followed in respect of the Unauthorized Guarantees; (c) the legal ramifications of the Legal Proceedings; and (d) impact of the Unauthorized Guarantees and the Legal Proceedings on the financial statements of the Group.

On 12th April, 2021, the Board has formed an independent board committee, comprising Mr. Song Jian and Mr. Jiang Bo, both of whom are independent non-executive directors of the Company for the purpose of engaging an independent firm to conduct an investigation into the Unauthorized Guarantees (the **"Independent Investigation"**). Given the nature of the Additional Issues as understood by the Board as at the date of this announcement, it is expected that the Additional Issues will be included in the scope of the Independent Investigation.

The Company will make further announcement(s) on the material development and progress in relation to the Independent Investigation as and when appropriate.

## **DELAY IN DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2020**

As a result of the delay in the finalization of the audit of the 2020 Annual Results, the Company will not be able to despatch the annual report of the Company for the year ended 31st December, 2020 by 30th April, 2021 (**"2020 Annual Report"**).

Further announcement(s) will be made by the Company regarding the 2020 Annual Results and the despatch of the 2020 Annual Report.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 31st March, 2021, and will remain suspended until further notice pending, among other matters, the result of the Independent Investigation and the finalization of the 2020 Annual Results.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Brilliance China Automotive Holdings Limited**  
**Wu Xiao An**  
**(also known as Ng Siu On)**  
*Chairman*

Hong Kong, 14th April, 2021

*As at the date of this announcement, the Board comprises five executive directors, Mr. Wu Xiao An (also known as Mr. Ng Siu On) (Chairman), Mr. Yan Bingzhe (Chief Executive Officer), Mr. Zhang Wei, Mr. Sun Baowei and Ms. Ma Nina; and two independent non-executive directors, Mr. Song Jian and Mr. Jiang Bo.*