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**Brilliance Auto**

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**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) QUARTERLY UPDATE ON STATUS OF RESUMPTION;**
- (2) FURTHER DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS AND 2021 INTERIM RESULTS;**
- (3) FURTHER DELAY IN DESPATCH OF THE 2020 ANNUAL REPORT AND THE 2021 INTERIM REPORT;**
- (4) DELAY IN PUBLICATION OF THE 2021 ANNUAL RESULTS AND DESPATCH OF THE 2021 ANNUAL REPORT;**
- AND**
- (5) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Brilliance China Automotive Holdings Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) 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).

\* For identification purposes only

References are made to (i) the announcements of the Company dated 31st March, 2021, 14th April, 2021, 23rd April, 2021, 31st May, 2021, 31st August, 2021, 29th October, 2021 and 14th February, 2022 (the “**14th February Announcement**”) in relation to, among other matters, delay in publication of the 2020 Annual Results and the 2021 Interim Results, formation of independent board committee, appointment of independent investigator to conduct Independent Investigation on the Unauthorized Guarantees and the Additional Issues, delay in despatch of the 2020 Annual Report and the 2021 Interim Report, the appointment of the Internal Control Consultant, the Resumption Guidance and suspension of trading in the shares of the Company from 9:00 a.m. on 31st March, 2021; (ii) the quarterly update announcements of the Company dated 30th June, 2021, 30th September, 2021 and 30th December, 2021; (iii) the announcements of the Company dated 10th June, 2021, 15th December, 2021 and 4th March, 2022 (the “**4th March Announcement**”) in relation to certain legal proceedings commenced against a wholly-owned subsidiary of the Company; (iv) the announcement of the Company dated 16th November, 2021 in relation to summary of key findings of the independent investigation; (v) the announcement of the Company dated 23rd December, 2021 in relation to results of the internal control review; and (vi) the announcement of the Company dated 12th January, 2022 in relation to the Restructuring (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide the shareholders of the Company further updates as follows:

## **QUARTERLY UPDATES REGARDING BUSINESS OPERATION OF THE GROUP**

The Group is principally engaged in the manufacture and sale of automobiles and automotive components, and the provision of auto financing service in the People’s Republic of China (the “**PRC**”). To the best knowledge of the Directors and based on preliminary assessment, as at the date of this announcement, the Audit Issues have no significant adverse impact on the business operations of the Group in all material respects.

As announced by the Company on 11th February, 2022 (the “**Disposal Announcement**”), completion of the disposal of 25% equity interest in BMW Brilliance Automotive Ltd.\* (華晨寶馬汽車有限公司) (“**BBA**”) by SJAI to BMW Holding B.V. (the “**Disposal**”) has taken place on 18th February, 2022. The total amount of the consideration in the sum of RMB27,941,146,575.34 has been received by SJAI on 18th February, 2022. Following completion of the Disposal, the Company will continue to indirectly hold 25% equity interest in BBA, which will be an associate of the Company, and its financial results will continue to be equity accounted for in the financial statements of the Group. Please refer to the Disposal Announcement for further details on the Disposal.

The Company will continuously assess the impact on the Group’s operations, if any, take appropriate measures and make further announcement as and when appropriate.

## **UPDATE ON RESUMPTION PROGRESS**

As disclosed in the announcements of the Company dated 31st May, 2021 and 14th February, 2022, the Stock Exchange has set out the Resumption Guidance for the Company:

- (i) conduct an appropriate independent investigation into the Audit Issues, announce the investigation findings, assess and announce the impact on the Company's business operation and financial position and take appropriate remedial actions;
- (ii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iii) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iv) demonstrate that the directors of the Company meet a standard of competence commensurate with their position as directors of a listed issuer and fulfill duties of skill, care and diligence as required under Rules 3.08 and 3.09 of the Listing Rules;
- (v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules;
- (vi) demonstrate compliance with Rule 13.24 of the Listing Rules;
- (vii) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and
- (viii) conduct an independent forensic investigation with a view to identifying all unauthorized financial assistance made by the Group (including the Additional Fund Transfers) since 2019, announce the investigation findings, assess and announce the impact on the Company's financial and operation position, and take appropriate remedial actions.

With regard to the Independent Investigation, RSM has issued the Independent Investigation Report on 12th November, 2021 (which has been furnished to the Stock Exchange) and a summary of which was disclosed in the announcement of the Company dated 16th November, 2021.

As announced in the announcement of the Company dated 29th October, 2021, the Internal Control Consultant has issued a report on the Internal Control Review and a summary of which was disclosed in the announcement of the Company dated 23rd December, 2021. The Company is in the process of remediating the internal control weaknesses or deficiencies. Following the actions and steps taken by the Group, the Internal Control Consultant will conduct a subsequent internal control review to verify and assess the implementation status of the remediation actions. The Company will make further announcement(s) of the latest developments as and when appropriate.

On 15th March, 2022, the Independent Board Committee has resolved to appoint RSM Corporate Advisory (Hong Kong) Limited, an independent third party investigator, to conduct an independent forensic investigation with a view to identifying all unauthorized financial assistance made by the Group (including the Additional Fund Transfers) since 2019 (the **“Independent Forensic Investigation”**) and produce a report of findings on the Independent Forensic Investigation to the Independent Board Committee. The Company will make further announcement(s) on the material development and progress in relation to the Independent Forensic Investigation as and when appropriate.

#### **FURTHER DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS AND THE 2021 INTERIM RESULTS AND DESPATCH OF THE 2020 ANNUAL REPORT AND THE 2021 INTERIM REPORT**

As disclosed in the 14th February Announcement, the Company has recently noted the Additional Fund Transfers. In light of the ongoing Independent Forensic Investigation, the audit of the 2020 Annual Results has not been completed and therefore there will be a further delay in the publication of the 2020 Annual Results and the 2021 Interim Results as well as the despatch of the 2020 Annual Report and the 2021 Interim Report. The Company will publish further announcement(s) to inform the Shareholders of the date of the release of the 2020 Annual Results and the 2021 Interim Results and the date of despatch of the 2020 Annual Report and the 2021 Interim Report as and when appropriate.

#### **DELAY IN PUBLICATION OF THE ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2021**

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish an announcement in relation to the annual results of the Group for the financial year ended 31st December, 2021 (the **“2021 Annual Results”**) not later than three months after the end of the financial year of the Company, i.e. on or before 31st March, 2022. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2021 Annual Results shall be based on the Group’s financial statements for the year ended 31st December, 2021 which shall have been agreed with the auditors.

Due to the delay in the publication of the 2020 Annual Results and the 2021 Interim Results, the Company is unable to publish its 2021 Annual Results by end of March 2022 and despatch its annual report for the year ended 31st December, 2021 (the “**2021 Annual Report**”) by end of April 2022. The Company will publish further announcement(s) to inform the Shareholders of the date of the release of the 2021 Annual Results and the date of despatch of the 2021 Annual Report as and when appropriate.

Discussions with the auditors of the Company are on-going and the Board and the management of the Company are doing their utmost to assist and cooperate with the auditors of the Company so that the 2020 Annual Results, the 2021 Interim Results and the 2021 Annual Results can be available as soon as practicable. Following the completion of the audit process, the Company will finalise and publish (i) the 2020 Annual Results, the 2021 Interim Results and the 2021 Annual Results; and (ii) the 2020 Annual Report, the 2021 Interim Report and the 2021 Annual Report as soon as practicable.

The Company remains committed to use its best endeavours to satisfy the Resumption Guidance as soon as practicable and will make further announcement(s) as and when appropriate should there be any material development on the Resumption Guidance.

## **OTHER UPDATES**

As disclosed in the Announcements, a number of legal proceedings had been made against SJA I in the PRC. As disclosed in the 14th February Announcement and the 4th March Announcement, Huaxia Bank has initiated the Huaxia Bank RMB69 million Proceeding and the Huaxia Bank RMB130 million Proceeding against SJA I and the Freezing Order has been imposed against SJA I. For further details, please refer to the Announcements.

On 28th February, 2022, the Shenyang Intermediate People's Court issued its judgment in relation to the CEB RMB208 million Proceeding (the "**CEB RMB208 million Proceeding Trial Judgment**"). The CEB RMB208 million Proceeding Trial Judgment stipulates that SJAI shall (i) repay China Everbright Bank 50% of the principal of the loan together with interest in the amount of RMB205,901,500.01; and (ii) be liable for 50% of the case acceptance fee, and the preservation fee in the amount of RMB5,000.

On 11th March, 2022, the Shenyang Intermediate People's Court issued its judgment in relation to the CEB RMB30 million Proceeding (the "**CEB RMB30 million Proceeding Trial Judgment**"). The CEB RMB30 million Proceeding Trial Judgment stipulates that:

1. 華晨汽車(鐵嶺)專用車有限公司 (Huachen Automotive (Tieling) Special Purpose Vehicle Co., Ltd.\*) ("**Huachen Tieling**"), an associate of Huachen, shall (i) repay China Everbright Bank the principal of the loan in the amount of RMB29,543,496.84, interest accrued up to the date of repayment (as of 19th April, 2021, the total accrued interest amounted to RMB488,132.43) calculated in accordance with the terms of the loan agreement and legal fees of China Everbright Bank in the amount of RMB100,000 (together the "**CEB RMB30 million Repayment Order**"); and (ii) be liable for the case acceptance fee, and 50% of the preservation fee; and
2. SJAI shall be liable for (i) 50% of such amount of the CEB RMB30 million Repayment Order which cannot be discharged by Huachen Tieling; (ii) up to 50% of the case acceptance fee subject to the extent discharged by Huachen Tieling; and (iii) 50% of the preservation fee.

At the request of China Everbright Bank, the Shenyang Intermediate People's Court had also simultaneously issued a court order on 11th March, 2022 for the seizure of assets of Huachen Tieling and SJAI with the aggregate value of RMB30,131,629.27 (the "**CEB RMB30 million Seizure Order**") as preservation for the CEB RMB30 million Repayment Order.

As at the date of this announcement, each of the Harbin Bank RMB300 million Proceeding Trial Judgment, the CEB RMB490 million Proceeding Trial Judgment, the CEB RMB1,818 million Proceeding Trial Judgment, the CEB RMB156 million Proceeding Trial Judgment and the EIB Proceeding Trial Judgment is subject to appeal hearing by the Liaoning High People's Court (遼寧省高級人民法院) (the "**Appeal Judgments**").

SJAI is also seeking legal advice and will take appropriate actions, including but not limited to declaring SJAI's creditor's right to the administrator of Huachen, for the recovery of the Group's losses as a result of the Unauthorized Guarantees, in particular, losses suffered as a result of the Appeal Judgments, the CEB RMB208 million Proceeding Trial Judgment and the CEB RMB30 million Proceeding Trial Judgment.

In respect of the Appeal Judgments, the CEB RMB208 million Proceeding Trial Judgment and the CEB RMB30 million Proceeding Trial Judgment, as at the date of this announcement, it is estimated that the maximum loss to the Group will be approximately RMB1,817 million (excluding any additional interest that may accrue up to the date of settlement) according to the adjudications made by the Shenyang Intermediate People's Court. The Company is of the view that the Appeal Judgments, the CEB RMB208 million Proceeding Trial Judgment and the CEB RMB30 million Proceeding Trial Judgment currently do not affect the normal business and operations of the Group.

As at the date of this announcement, the other legal proceedings are ongoing. The Company will inform the shareholders and potential investors of the Company of material progress of the legal proceedings when appropriate.

#### **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 fulfillment of the Resumption Guidance.

**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, 30th March, 2022

*As at the date of this announcement, the Board comprises four executive directors of the Company, Mr. Wu Xiao An (also known as Mr. Ng Siu On) (Chairman), Mr. Shen Tie Dong (Chief Executive Officer), Mr. Zhang Wei and Mr. Sun Baowei; and three independent non-executive directors of the Company, Mr. Song Jian, Mr. Jiang Bo and Mr. Dong Yang.*