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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) DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE HUACHEN GROUP DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2019;**

**(2) MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE HUACHEN GROUP DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2020;**

**(3) MAJOR TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE DALIAN HUAXIA GROUP DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2019;**

**(4) VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE DALIAN HUAXIA GROUP DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2020;**

**(5) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE DALIAN HUAXIA GROUP DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2021;**

**(6) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE SHENYANG AUTOMOBILE GROUP  
DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2020;**

**AND**

**(7) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE  
TO THE SHENYANG AUTOMOBILE GROUP  
DURING THE FINANCIAL YEAR  
ENDED 31ST DECEMBER, 2021**

\* *For identification purposes only*

References are made to the Announcements in relation to the Independent Investigation and the Independent Forensic Investigation.

#### **FINANCIAL ASSISTANCE PROVIDED TO THE HUACHEN GROUP**

The Board announces that the Group had provided the Huachen Financial Assistance to the Huachen Group (i) in the aggregated sum of approximately RMB2.6 billion during the financial year ended 31st December, 2019; and (ii) in the aggregated sum of approximately RMB8.3 billion during the financial year ended 31st December, 2020.

#### **FINANCIAL ASSISTANCE PROVIDED TO THE DALIAN HUAXIA GROUP**

The Board also announces that the Group had provided the Dalian Huaxia Financial Assistance to the Dalian Huaxia Group (i) in the aggregated sum of approximately RMB10.2 billion during the financial year ended 31st December, 2019; (ii) in the aggregated sum of approximately RMB25.9 billion during the financial year ended 31st December, 2020; and (iii) in the aggregated sum of approximately RMB2.1 billion during the financial year ended 31st December, 2021.

#### **FINANCIAL ASSISTANCE PROVIDED TO THE SHENYANG AUTOMOBILE GROUP**

The Board announces that the Group had provided the Shenyang Automobile Financial Assistance to the Shenyang Automobile Group (i) in the aggregated sum of approximately RMB1.6 billion during the financial year ended 31st December, 2020; and (ii) in the aggregated sum of approximately RMB2.0 billion during the financial year ended 31st December, 2021.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the 2019 Huachen Financial Assistance, the 2020 Shenyang Automobile Financial Assistance, the 2021 Dalian Huaxia Financial Assistance and the 2021 Shenyang Automobile Financial Assistance exceeds 5% but all are less than 25%, the provision of each of the 2019 Huachen Financial Assistance, the 2020 Shenyang Automobile Financial Assistance, the 2021 Dalian Huaxia Financial Assistance and the 2021 Shenyang Automobile Financial Assistance would have constituted a discloseable transaction of the Company and be subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the 2019 Dalian Huaxia Financial Assistance and the 2020 Huachen Financial Assistance exceeds 25% but all are less than 75%, the provision of each of the 2019 Dalian Huaxia Financial Assistance and the 2020 Huachen Financial Assistance would have constituted a major transaction of the Company and be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2020 Dalian Huaxia Financial Assistance exceeds 75%, the provision of the 2020 Dalian Huaxia Financial Assistance would have constituted a very substantial disposal of the Company and be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Huachen, through its wholly-owned subsidiary, Liaoning Xinrui, is interested in 1,535,074,988 Shares (representing approximately 30.43% of the entire issued share capital of the Company) as at the date of this announcement. Accordingly, Huachen is a connected person of the Company under Chapter 14A of the Listing Rules and the provision of each of the 2019 Huachen Financial Assistance and the 2020 Huachen Financial Assistance would have constituted non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this announcement is to disclose the required information for the re-compliance with the Listing Rules.

## **A. BACKGROUND**

References are made to the Announcements in relation to the Independent Investigation and the Independent Forensic Investigation. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

According to the Independent Investigation and the Independent Forensic Investigation, the Group has provided the following Financial Assistances which constituted (i) a connected transaction subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and/or (ii) a notifiable transaction subject to the reporting, announcement, circular (as the case may be) and Shareholders' approval (as the case may be) requirements under Chapter 14 of the Listing Rules, during the three financial years ended 31st December, 2019, 2020 and 2021:

| Recipient of<br>Financial Assistances                   | Unauthorised<br>Guarantees<br><i>RMB</i> | Deposit Pledges<br><i>RMB</i>  | Fund Transfers<br><i>RMB</i>    | Total<br><i>RMB</i>             |
|---|--|--------------------------------|---------------------------------|---------------------------------|
| <b>For the financial year ended 31st December, 2019</b> |  |                                |                                 |                                 |
| Huachen Group   | -  | -                              | 2,584,000,000.00                | <b>2,584,000,000.00</b>         |
| Dalian Huaxia Group                                     | -  | 300,000,000.00                 | 9,898,000,000.00                | <b>10,198,000,000.00</b>        |
|   |  |                                |                                 | <b><u>12,782,000,000.00</u></b> |
| <b>For the financial year ended 31st December, 2020</b> |  |                                |                                 |                                 |
| Huachen Group   | 5,898,000,000.00                         | 1,040,000,000.00               | 1,337,020,000.00                | <b>8,275,020,000.00</b>         |
| Dalian Huaxia Group                                     | -  | 2,705,900,000.00               | 23,199,293,969.57               | <b>25,905,193,969.57</b>        |
| Shenyang Automobile Group                               | -  | -                              | 1,609,813,000.00                | <b>1,609,813,000.00</b>         |
|   |  |                                |                                 | <b><u>35,790,026,969.57</u></b> |
| <b>For the financial year ended 31st December, 2021</b> |  |                                |                                 |                                 |
| Huachen Group   | -  | -                              | -                               | -                               |
| Dalian Huaxia Group                                     | -  | -                              | 2,070,000,000.00                | <b>2,070,000,000.00</b>         |
| Shenyang Automobile Group                               | -  | -                              | 2,004,000,000.00                | <b>2,004,000,000.00</b>         |
|   |  |                                |                                 | <b><u>4,074,000,000.00</u></b>  |
| <b>Total</b>  | <b><u>5,898,000,000.00</u></b>           | <b><u>4,045,900,000.00</u></b> | <b><u>42,702,126,969.57</u></b> | <b><u>52,646,026,969.57</u></b> |

The purpose of this announcement is to disclose the required information for the compliance with the Listing Rules.

## B. THE HUACHEN FINANCIAL ASSISTANCE

Based on the Independent Investigation and the Independent Forensic Investigation, during the two financial years ended 31st December, 2019 and 2020, (I) SJAI entered into the Unauthorised Guarantees; (II) SJAI provided the 2020 Huachen Deposit Pledges; and (III) the Relevant Subsidiaries made the Huachen Fund Transfers, to or for the benefit of Huachen. Details of the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the Huachen Fund Transfers are set out below.

### (I) Unauthorised Guarantees

| Creditor bank  | Date of the Unauthorised Guarantees | Guaranteed amount (RMB) |
|--|-------------------------------------|-------------------------|
| China Everbright Bank  | 16th March, 2020                    | 4,400,000,000           |
| Export-Import Bank   | 27th April, 2020                    | 309,000,000             |
| Export-Import Bank   | 27th April, 2020                    | 289,000,000             |
| Huaxia Bank  | 4th June, 2020                      | 400,000,000             |
| Huaxia Bank  | 15th September, 2020                | 200,000,000             |
| Harbin Bank  | 19th May, 2020                      | 300,000,000             |
| <b>Total guaranteed amount under the Unauthorised Guarantees</b> |                                     | <b>5,898,000,000</b>    |

### (II) 2020 Huachen Deposit Pledges

| Creditor bank                          | Holder of the Bank Acceptance Bills | Structured deposits/term deposits deducted by the bank due to the failure in repayment of the Bank Acceptance Bills (RMB) | After the structured deposits/term deposits were transferred to the current savings account of SJAI, amount transferred by SJAI to the holder of the Bank Acceptance Bills to make the repayment (RMB) | Amount of deposit outflow (RMB) |
|--|-------------------------------------|---|--|---------------------------------|
| Shengjing Bank (Yaming Branch)         | Brilliance Power                    | 340,000,000<br>(Note 1)   | –  | 340,000,000                     |
| Shengjing Bank (Yaming Branch)         | Brilliance Power                    | 300,000,000<br>(Note 2)   | –  | 300,000,000                     |
| Minsheng Bank                          | Huachen                             | 400,000,000<br>(Note 3)   | –  | 400,000,000                     |
| <b>Total amount of deposit outflow</b> |                                     | <b>1,040,000,000</b>  | <b>–</b>   | <b>1,040,000,000</b>            |

Notes:

1. RMB340,000,000 was transferred from the bank account of SJAI to the internal bank account of Shengjing Bank (Yaming Branch) on 10th July, 2020 and was deducted by the bank in batches during the period between 15th July, 2020 to 11th December, 2020 for repayment of the bank acceptance bill issued by Brilliance Power.
2. The RMB300,000,000 was deducted by Shengjing Bank (Yaming Branch) in batches on 10th June, 2021 and 11th June, 2021.
3. The RMB400,000,000 was deducted by Minsheng Bank on 9th March, 2021.

### (III) Huachen Fund Transfers

During the two financial years ended 31st December, 2019 and 2020, the Relevant Subsidiaries made the 2019 Huachen Fund Transfers and the 2020 Huachen Fund Transfers in the aggregate amount of RMB2,584,000,000 and RMB1,337,020,000, respectively to the Huachen Group.

For further details on the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the Huachen Fund Transfers, please refer to the Announcements.

## C. THE DALIAN HUAXIA FINANCIAL ASSISTANCE

Based on the Independent Investigation and the Independent Forensic Investigation, during the three financial years ended 31st December, 2019, 2020 and 2021, (I) SJAI provided the 2019 Dalian Huaxia Deposit Pledges; (II) SJAI and Xing Yuan Dong provided the 2020 Dalian Huaxia Deposit Pledges; and (III) the Relevant Subsidiaries made the Dalian Huaxia Fund Transfers. Details of the 2019 Dalian Huaxia Deposit Pledges, the 2020 Dalian Huaxia Deposit Pledges and the Dalian Huaxia Fund Transfers are set out below.

### (I) 2019 Dalian Huaxia Deposit Pledges

| Creditor bank | Holder of the Bank Acceptance Bills | Structured deposits/term deposits deducted by the bank due to the failure in repayment of the Bank Acceptance Bills (RMB) | After the structured deposits/term deposits were transferred to the current savings account of SJAI, amount transferred by SJAI to the holder of the Bank Acceptance Bills to make the repayment (RMB) | Amount of deposit outflow (RMB) |
|---------------|-------------------------------------|---|--|---------------------------------|
| Yingkou Bank  | Huayixin                            | -   | 300,000,000<br>(Note 1)  | 300,000,000                     |
| <b>Total</b>  |                                     | <b>-</b>  | <b>300,000,000</b>   | <b>300,000,000</b>              |

Note:

1. RMB300,000,000 was transferred by SJAI to Huayixin during 2020 to provide funding for repayment of the bank acceptance bill issued by Huayixin in 2019.

## (II) 2020 Dalian Huaxia Deposit Pledges

| Creditor bank  | Holder of the Bank Acceptance Bills | Structured deposits/term deposits deducted by the bank due to the failure in repayment of the Bank Acceptance Bills<br>(RMB) | After the structured deposits/term deposits were transferred to the current savings account of SJAI, amount transferred by SJAI to the holder of the Bank Acceptance Bills to make the repayment<br>(RMB) | Amount of deposit outflow<br>(RMB) |
|--|-------------------------------------|--|---|------------------------------------|
| Shengjing Bank<br>(Shenyang Branch<br>Business Department) | Huayixin                            | 1,320,000,000<br>(Note 1)  | 50,000,000<br>(Note 2)  | 1,370,000,000                      |
| Shengjing Bank<br>(Yaming Branch)                          | Huayixin                            | 230,000,000<br>(Note 3)  | 400,000,000<br>(Note 4)   | 630,000,000                        |
| Shengjing Bank<br>(Wanquan Branch)                         | Huayixin                            | 260,000,000<br>(Note 5)  | –   | 260,000,000                        |
| Shengjing Bank<br>(Dongling Branch)                        | Huayixin                            | 40,000,000<br>(Note 6)   | –   | 40,000,000                         |
| Yingkou Bank   | Huayixin                            | –  | 15,900,000<br>(Note 7)  | 15,900,000                         |
| Shengjing Bank<br>(Shenyang Branch<br>Business Department) | Huayixin                            | 350,000,000<br>(Note 8)  | –   | 350,000,000                        |
| Shengjing Bank<br>(Shenyang Branch<br>Business Department) | Huayixin                            | 40,000,000<br>(Note 9)   | –   | 40,000,000                         |
| <b>Total</b>   |                                     | <b>2,240,000,000</b>   | <b>465,900,000</b>  | <b>2,705,900,000</b>               |

### Notes:

1. RMB1,320,000,000 was transferred from the bank account of SJAI to the internal bank account of Shengjing Bank (Shenyang Branch Business Department) on 10th July, 2020 and was deducted by the bank in batches during the period between 15th July, 2020 to 23rd December, 2020 for repayment of the bank acceptance bill issued by Huayixin.
2. RMB50,000,000 was transferred by SJAI to Huayixin to provide funding for repayment of the bank acceptance bill issued by Huayixin.
3. RMB230,000,000 was transferred from the bank account of SJAI to the internal bank account of Shengjing Bank (Yaming Branch) on 10th July, 2020 and was deducted by the bank in batches during the period between 15th July, 2020 to 11th December, 2020 for repayment of the bank acceptance bill issued by Huayixin.

4. RMB400,000,000 was transferred by SJAI to Huayixin to provide funding for repayment of the bank acceptance bill issued by Huayixin.
5. RMB260,000,000 was transferred from the bank account of SJAI to the internal bank account of Shengjing Bank (Wanquan Branch) on 10th July, 2020 and was deducted by the bank in batches on 15th July, 2020 and 17th July, 2020 for repayment of the bank acceptance bill issued by Huayixin.
6. RMB40,000,000 was transferred from the bank account of SJAI to the internal bank account of Shengjing Bank (Dongling Branch) on 10th July, 2020 and was deducted by the bank on 15th July, 2020 for repayment of the bank acceptance bill issued by Huayixin.
7. The RMB15,900,000 was the interest accrued from the term deposit of RMB300,000,000 deposited by SJAI with Yingkou Bank. The full amount of such interest was transferred by SJAI to Huayixin to provide funding for repayment of the bank acceptance bill issued by Huayixin.
8. The RMB350,000,000 was deducted by Shengjing Bank (Shenyang Branch Business Department) in batches during the period between 11th June, 2021 to 17th June, 2021.
9. The RMB40,000,000 was deducted by Shengjing Bank (Shenyang Branch Business Department) on 23rd December, 2020. The full amount of RMB40,000,000.00 was subsequently recovered from Huayixin on 31st December, 2020.

### **(III) Dalian Huaxia Fund Transfers**

During the three financial years ended 31st December, 2019, 2020 and 2021, the Relevant Subsidiaries made the 2019 Dalian Huaxia Fund Transfers, the 2020 Dalian Huaxia Fund Transfers and the 2021 Dalian Huaxia Fund Transfers in the aggregate amount of RMB9,898,000,000, RMB23,199,293,969.57 and RMB2,070,000,000, respectively to the Dalian Huaxia Group.

For further details on the 2019 Dalian Huaxia Deposit Pledges, the 2020 Dalian Huaxia Deposit Pledges and the Dalian Huaxia Fund Transfers, please refer to the Announcements.

### **D. THE SHENYANG AUTOMOBILE FINANCIAL ASSISTANCE**

Based on the Independent Forensic Investigation, during the two financial years ended 31st December, 2020 and 2021, the Relevant Subsidiaries made the 2020 Shenyang Automobile Fund Transfers and the 2021 Shenyang Automobile Fund Transfers in the aggregate amount of RMB1,609,813,000 and RMB2,004,000,000, respectively to the Shenyang Automobile Group.

For further details on the Shenyang Automobile Fund Transfers, please refer to the Announcements.



## **E. INFORMATION OF THE PARTIES INVOLVED IN THE FINANCIAL ASSISTANCE**

### **(i) The Huachen Group**

Huachen is a state-owned limited liability company which was established under the laws of the PRC on 16th September, 2002 and currently is beneficially owned as to 80% by the State-owned Assets Supervision and Administration Commission of Liaoning Provincial Government (遼寧省人民政府國有資產監督管理委員會) and as to 20% by Liaoning Provincial Social Security Fund Council (Liaoning Province Industry (Entrepreneurship) Investment Guidance Fund Management Centre). It is a substantial Shareholder and therefore a connected person of the Company. The principal activities of Huachen include but are not limited to investment holding and the manufacture, refitting and sale of automobiles.

Brilliance Power is a company established in the PRC with limited liability and its equity interests are owned as to 49% and 51% by the Company and Huachen, respectively, as at the date of this announcement and is therefore an associate of the Company. It is principally engaged in the manufacture and sale of power trains in the PRC.

Liaoning Zhenguo is a company established in the PRC with limited liability and its equity interests are owned as to 75% by Huachen and 25% by Zhuhai Brilliance Holdings Co., Ltd.\* (珠海華晨控股有限責任公司) which is in turn 90% owned by Huachen, as at the date of this announcement. It is principally engaged in investment in China and the sale of automobiles and accessories.

### **(ii) The Dalian Huaxia Group**

Based on publicly available information and the Independent Forensic Investigation, Dalian Huaxia was established in the PRC on 18th July, 2003 and is a wholly owned subsidiary of Dalian City Industrial Development Investment Co. Ltd.\* (大連市工業發展投資有限公司). According to the Independent Forensic Investigation, save that the Company is interested in 25% of the equity interest in Shenyang ChenFa, which is a 75% owned subsidiary of Dalian Huaxia, each member of the Dalian Huaxia Group is a wholly owned subsidiary of Dalian Huaxia.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save that the Company is interested in 25% of the equity interest in Shenyang ChenFa, which is a 75% owned subsidiary of Dalian Huaxia, Dalian Huaxia, its subsidiaries and its ultimate beneficial owner(s) are Independent Third Parties.

### **(iii) The Shenyang Automobile Group**

Based on publicly available information and the Independent Forensic Investigation, Shenyang Automobile is wholly owned by an Independent Third Party. According to the Independent Forensic Investigation, Shenyang Xinruixiang is a wholly owned subsidiary of Shenyang Automobile.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Shenyang Automobile, its subsidiaries and its ultimate beneficial owner(s) are Independent Third Parties.

**(iv) The Group**

The Company is an investment holding company and the Group is engaged in the manufacture and sale of automobiles and automotive components, and the provision of automotive financing service to customers and dealers. In addition, the Group also owns a 25% equity interest in its major joint venture BMW Brilliance Automotive Ltd. which is engaged in the manufacture and sale of BMW vehicles in the PRC. Each of the Relevant Subsidiaries is a wholly owned subsidiary of the Company.

**F. REASONS FOR THE FINANCIAL ASSISTANCE**

According to the Independent Investigation and the Independent Forensic Investigation, it was noted that Huachen had bypassed the Group's existing corporate governance and internal controls and directly instructed the management of the Relevant Subsidiaries to provide the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the Huachen Fund Transfers to ease its own fund requirements. The provision of the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the Huachen Fund Transfers were made without the approval from the Board. For further details on the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the Huachen Fund Transfers, please refer to the Announcements.

In respect of the Unauthorised Guarantees, up to the date of this announcement, Export-Import Bank, Huaxia Bank, Harbin Bank and China Everbright Bank have brought legal proceedings against the Group. For further details on the status of the legal proceedings, please refer to (i) the announcements issued by the Company dated 14th April, 2021, 10th June, 2021, 30th September, 2021, 15th December, 2021, 30th December, 2021, 14th February, 2022, 4th March, 2022, 30th March, 2022, 28th April, 2022 and 30th June, 2022; and (ii) the results announcements for the year ended 31st December, 2020 and 2021 dated 29th July, 2022 and 26th August, 2022, respectively. The Company will inform the Shareholders and potential investors of the Company of material progress of the legal proceedings when appropriate.

According to the Independent Investigation and the Independent Forensic Investigation, it was also noted that Huachen had bypassed the Group's existing corporate governance and internal controls and directly instructed the management of the Relevant Subsidiaries to provide (i) the 2019 Dalian Huaxia Deposit Pledges, the 2020 Dalian Huaxia Deposit Pledges and the Dalian Huaxia Fund Transfers to the Dalian Huaxia Group; and (ii) the Shenyang Automobile Fund Transfers to the Shenyang Automobile Group. For further details on the 2019 Dalian Huaxia Deposit Pledges, the 2020 Dalian Huaxia Deposit Pledges, the Dalian Huaxia Fund Transfers and the Shenyang Automobile Fund Transfers, please refer to the Announcements.

As at the date of this announcement, it is estimated that the maximum loss to the Group as a result of the Unauthorised Guarantees will be approximately RMB1.9 billion (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. Although the judgements issued by the Shenyang Intermediate People's Court are currently under appeal, the Company is of the view that the legal proceedings in relation to the Unauthorised Guarantees currently do not affect the normal business and operations of the Group. As creditors of Huachen, the Group has made the necessary filings to assert its creditor's right to the administrator of Huachen. The recoverability of these amounts will depend on the result of the restructuring of Huachen. The Company will keep the Shareholders informed of the future development in this regard as and when appropriate.

The Group has made a provision of approximately RMB97.2 million, RMB7.85 billion and RMB404 million in relation to the Financial Assurances in the financial statement for the year ended 31st December, 2019, 2020 and 2021, respectively.

Since there is no documentation about the reasons for entering into the Unauthorised Guarantees and the Deposit Pledges or the making of the Fund Transfers, the Directors are not in a position to ascertain the reasons for and benefits of the Unauthorised Guarantees, the Deposit Pledges and the Fund Transfers. Accordingly, the Directors (including the independent non-executive Directors) are unable to opine whether the Financial Assurances were entered into on normal commercial terms after arm's length negotiation and the terms were fair and reasonable and the transactions contemplated thereunder were in the interests of the Company and the Shareholders as a whole.

## **G. IMPLICATIONS UNDER THE LISTING RULES**

As the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the 2020 Huachen Fund Transfers provided for or made to the Huachen Group were all financial assistances provided within a 12-month period, each of the Unauthorised Guarantees, the 2020 Huachen Deposit Pledges and the 2020 Huachen Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

Furthermore, given each of (i) the 2019 Dalian Huaxia Deposit Pledges and the 2019 Dalian Huaxia Fund Transfers; and (ii) the 2020 Dalian Huaxia Deposit Pledges and the 2020 Dalian Huaxia Fund Transfers, provided for or made to the Dalian Huaxia Group were all financial assistances provided within a 12-month period, each of (i) the 2019 Dalian Huaxia Deposit Pledges and the 2019 Dalian Huaxia Fund Transfers; and (ii) the 2020 Dalian Huaxia Deposit Pledges and the 2020 Dalian Huaxia Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the 2019 Huachen Financial Assistance, the 2020 Shenyang Automobile Financial Assistance, the 2021 Dalian Huaxia Financial Assistance and the 2021 Shenyang Automobile Financial Assistance exceeds 5% but all are less than 25%, the provision of each of the 2019 Huachen Financial Assistance, the 2020 Shenyang Automobile Financial Assistance, the 2021 Dalian Huaxia Financial Assistance and the 2021 Shenyang Automobile Financial Assistance would have constituted a discloseable transaction of the Company and be subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the 2019 Dalian Huaxia Financial Assistance and the 2020 Huachen Financial Assistance exceeds 25% but all are less than 75%, the provision of each of the 2019 Dalian Huaxia Financial Assistance and the 2020 Huachen Financial Assistance would have constituted a major transaction of the Company and be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2020 Dalian Huaxia Financial Assistance exceeds 75%, the provision of the 2020 Dalian Huaxia Financial Assistance would have constituted a very substantial disposal of the Company and be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Huachen, through its wholly-owned subsidiary, Liaoning Xinrui, is interested in 1,535,074,988 Shares (representing approximately 30.43% of the entire issued share capital of the Company) as at the date of this announcement. Accordingly, Huachen is a connected person of the Company under Chapter 14A of the Listing Rules and the provision of each of the 2019 Huachen Financial Assistance and the 2020 Huachen Financial Assistance would have constituted non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company deeply regrets that it had not duly complied with the Listing Rules in this regard. As immediate remedial action, the Group has, as creditors of Huachen, made the necessary filings to assert its creditor's right to the administrator of Huachen and hereby publishes this announcement to disclose all material information in respect of the Financial Assistances. Going forward, the Company has strengthened its internal control system and implemented measures to avoid the recurrence of similar issues.

In light of the fact that (i) the payment(s) under the Financial Assurances have already been made; (ii) the Company has disclosed all material information relating to the Financial Assurances which is currently in the Company's possession in this announcement; and (iii) the currently available information relating to the Financial Assurances is insufficient for the Board to prepare a circular (including an opinion from an independent financial adviser), no circular (including independent financial advice) will be issued by the Company to its Shareholders and no special general meeting of the Company will be convened for the purposes of considering and approving the Financial Assurances. Therefore, the Company is not in full compliance with Rules 14.34, 14.38A, 14.40 and 14.41, 14A.35, 14A.36, 14A.39, 14A.44 and 14A.46 of the Listing Rules in this regard.

## **H. CONTINUED SUSPENSION OF TRADING**

Trading in the Shares 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.

## **I. DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

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| “2019 Dalian Huaxia Deposit Pledges”                                 | the deposit pledges provided by SJAI to Yingkou Bank as security for Bank Acceptance Bills issued by Huayixin during the financial year ended 31st December, 2019 in the aggregate amount of RMB300,000,000; |
| “2019 Dalian Huaxia Financial Assistance”                            | the 2019 Dalian Huaxia Deposit Pledges and the 2019 Dalian Huaxia Fund Transfers;  |
| “2019 Dalian Huaxia Fund Transfers”                                  | the fund transfers made by the Group to the Dalian Huaxia Group during the financial year ended 31st December, 2019 in the aggregate amount of RMB9,898,000,000;   |
| “2019 Huachen Financial Assistance” or “2019 Huachen Fund Transfers” | the fund transfers made by the Group to the Huachen Group during the financial year ended 31st December, 2019 in the aggregate amount of RMB2,584,000,000;   |

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| “2020 Dalian Huaxia Deposit Pledges”   | the deposit pledges provided by SJAI and Xing Yuan Dong to Shengjing Bank (Shenyang Branch Business Department), Shengjing Bank (Yaming Branch), Shengjing Bank (Wanquan Branch), Shengjing Bank (Dongling Branch) and Yingkou Bank as security for Bank Acceptance Bills issued by Huayixin during the financial year ended 31st December, 2020 in the aggregate amount of RMB2,705,900,000; |
| “2020 Dalian Huaxia Financial Assistance”  | the 2020 Dalian Huaxia Deposit Pledges and the 2020 Dalian Huaxia Fund Transfers;   |
| “2020 Dalian Huaxia Fund Transfers”  | the fund transfers made by the Group to the Dalian Huaxia Group during the financial year ended 31st December, 2020 in the aggregate amount of RMB23,199,293,969.57;  |
| “2020 Huachen Deposit Pledges”   | the deposit pledges provided by SJAI to Brilliance Power and Huachen during the financial year ended 31st December, 2020 in the aggregate amount of RMB1,040,000,000;   |
| “2020 Huachen Financial Assistance”  | the Unauthorised Guarantees, 2020 Huachen Deposit Pledges and the 2020 Huachen Fund Transfers;  |
| “2020 Huachen Fund Transfers”  | the fund transfers made by the Group to the Huachen Group during the financial year ended 31st December, 2020 in the aggregate amount of RMB1,337,020,000;  |
| “2020 Shenyang Automobile Financial Assistance” or “2020 Shenyang Automobile Fund Transfers” | the fund transfers made by the Group to the Shenyang Automobile Group during the financial year ended 31st December, 2020 in the aggregate amount of RMB1,609,813,000;  |
| “2021 Dalian Huaxia Financial Assistance” or “2021 Dalian Huaxia Fund Transfers”             | the fund transfers made by the Group to the Dalian Huaxia Group during the financial year ended 31st December, 2021 in the aggregate amount of RMB2,070,000,000;  |
| “2021 Shenyang Automobile Financial Assistance” or “2021 Shenyang Automobile Fund Transfers” | the fund transfers made by the Group to the Shenyang Automobile Group during the financial year ended 31st December, 2021 in the aggregate amount of RMB2,004,000,000;  |

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| “Announcements”         | the announcement of the Company dated 16th November, 2021 and 19th August, 2022 in relation to the Independent Investigation and the Independent Forensic Investigation, respectively;  |
| “associates”            | has the meaning ascribed thereto in the Listing Rules;  |
| “Bank Acceptance Bills” | bank acceptance bills (also referred to as bank guaranteed notes in the consolidated financial statement issued by the auditors of the Company in the announcement of results for the year ended 31st December, 2020 dated 29th July, 2022) issued by Huachen, Brilliance Power and Huayixin; |
| “Board”                 | the board of Directors;   |
| “Brilliance Power”      | 瀋陽華晨動力機械有限公司 (Shenyang Brilliance Power Train Machinery Co., Ltd.*), a company established in the PRC and the equity interests of which are owned as to 49% by the Company and 51% by Huachen;  |
| “Chenbao Auto”          | 晨寶(遼寧)汽車製造有限公司(Chenbao (Liaoning) Automobile Manufacturing Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;  |
| “China Everbright Bank” | 中國光大銀行股份有限公司瀋陽分行(China Everbright Bank Co., Ltd. (Shenyang Branch)*);   |
| “Company”               | Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*), an exempted company incorporated in Bermuda with limited liability on 9th June, 1992, whose securities are listed on the Stock Exchange;  |
| “connected persons”     | has the meaning ascribed thereto in the Listing Rules;  |

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| “Dalian Huaxia”                      | 大連華夏北方投資有限公司 (Dalian Huaxia Northern Investment Company Limited*), a company established in the PRC and a wholly owned subsidiary of 大連市工業發展投資有限公司(Dalian City Industrial Development Investment Co. Ltd.*) according to the Independent Forensic Investigation; |
| “Dalian Huaxia Financial Assistance” | the 2019 Dalian Huaxia Financial Assistance, the 2020 Dalian Huaxia Financial Assistance and the 2021 Dalian Huaxia Financial Assistance;  |
| “Dalian Huaxia Fund Transfers”       | the 2019 Dalian Huaxia Fund Transfers, the 2020 Dalian Huaxia Fund Transfers and the 2021 Dalian Huaxia Fund Transfers;  |
| “Dalian Huaxia Group”                | Chenbao Auto, Shenyang Huafa, Huayixin, Shenyang Guangtai, Shenyang Chenfa, Shenyang Zhengda and Mianyang Huarui;  |
| “Deposit Pledges”                    | the 2019 Dalian Huaxia Deposit Pledges, the 2020 Dalian Huaxia Deposit Pledges and the 2020 Huachen Deposit Pledges;   |
| “Director(s)”                        | the director(s) of the Company;  |
| “Export-Import Bank”                 | 中國進出口銀行遼寧省分行(The Export-Import Bank of China (Liaoning Province Branch)*);   |
| “Financial Assistances”              | the Dalian Huaxia Financial Assistance, the Huachen Financial Assistance and the Shenyang Automobile Financial Assistance;   |
| “Fund Transfers”                     | the Dalian Huaxia Fund Transfers, the Huachen Fund Transfers and the Shenyang Automobile Fund Transfers;   |
| “Group”                              | the Company and its subsidiaries;  |
| “Harbin Bank”                        | 哈爾濱銀行股份有限公司瀋陽分行(Harbin Bank Co., Ltd. (Shenyang Branch)*);   |
| “HK\$”                               | Hong Kong dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”                          | the Hong Kong Special Administrative Region of the PRC;  |



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| “Huachen”                            | 華晨汽車集團控股有限公司 (Huachen Automotive Group Holdings Company Limited*), the controlling shareholder of the Company which as at the date of this announcement is, through Liaoning Xinrui, interested in approximately 30.43% of the issued share capital of the Company;  |
| “Huachen Financial Assistance”       | the 2019 Huachen Financial Assistance and the 2020 Huachen Financial Assistance;   |
| “Huachen Fund Transfers”             | the 2019 Huachen Fund Transfers and the 2020 Huachen Fund Transfers;   |
| “Huachen Group”                      | Huachen, Brilliance Power and Liaoning Zhenguo;  |
| “Huaxia Bank”                        | 華夏銀行股份有限公司瀋陽和平支行 (Huaxia Bank Co., Ltd. (Shenyang Heping Branch)*);  |
| “Huayixin”                           | 瀋陽華益新汽車銷售有限公司 (Shenyang Huayixin Automobile Sales Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;  |
| “Independent Forensic Investigation” | the independent forensic investigation conducted by RSM Corporate Advisory (Hong Kong) Limited with a view to identifying all unauthorised financial assistance made by the Group since 2019. Please refer to the announcement of the Company dated 19th August, 2022 for details on the Independent Forensic Investigation; |
| “Independent Investigation”          | the independent investigation conducted by RSM Consulting (Hong Kong) Limited into, among others, the Unauthorised Guarantees and the Deposit Pledges. Please refer to the announcement of the Company dated 16th November, 2021 for details on the Independent Investigation;   |
| “Independent Third Party(ies)”       | party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company;   |

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| “Liaoning Xinrui”  | 遼寧鑫瑞汽車產業發展有限公司(Liaoning Xinrui Automotive Industry Development Co., Ltd.*), a wholly-owned subsidiary of Huachen and the controlling shareholder of the Company which as at the date of this announcement is interested in approximately 30.43% of the issued share capital of the Company;                           |
| “Liaoning Zhenguo” | 遼寧正國投資發展有限公司(Liaoning Zhenguo Investment Development Co., Ltd.*), a company established in the PRC and its equity interests are owned as to 75% by Huachen and 25% by Zhuhai Brilliance Holdings Co., Ltd.* (珠海華晨控股有限責任公司) which is in turn 90% owned by Huachen according to the Independent Forensic Investigation; |
| “Listing Rules”    | the Rules Governing the Listing of Securities on the Stock Exchange;  |
| “Mianyang Huarui”  | 綿陽華瑞汽車有限公司(Mianyang Huarui Automobile Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;   |
| “Mianyang Ruian”   | 綿陽華晨瑞安汽車零部件有限公司(Mianyang Brilliance Ruian Automotive Components Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of the Company;   |
| “Minsheng Bank”    | 中國民生銀行股份有限公司瀋陽長江街支行(China Minsheng Bank Co., Ltd. (Shenyang Changjiang Street Sub-branch)*);  |
| “Ningbo Ruixing”   | 寧波華晨瑞興汽車零部件有限公司(Ningbo Brilliance Ruixing Auto Components Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of the Company;   |
| “Ningbo Yumin”     | 寧波裕民機械工業有限公司(Ningbo Yumin Machinery Industrial Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of the Company;  |

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| “PRC”  | The People’s Republic of China and, for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;   |
| “Relevant Subsidiaries”  | Xing Yuan Dong, SJAI, Shenyang Jianhua, Ningbo Yumin, Ningbo Ruixing and Mianyang Ruian;   |
| “Resumption Guidance”  | the guidance and further guidance issued by the Stock Exchange for the resumption of trading in the Shares on 27th May, 2021 and 9th February, 2022, respectively. Please refer to the announcements of the Company dated 31st May, 2021 and 14th February, 2022 for details on the Resumption Guidance; |
| “RMB”  | renminbi, the lawful currency of the PRC;  |
| “Shareholder(s)”   | holder(s) of Shares;   |
| “Shares”   | shares at par value of US\$0.01 each in the share capital of the Company;  |
| “Shengjing Bank (Dongling Branch)”   | 盛京銀行瀋陽市東陵支行(Shengjing Bank (Dongling Branch)*);  |
| “Shengjing Bank (Shenyang Branch Business Department)”                             | 盛京銀行瀋陽分行營業部(Shengjing Bank (Shenyang Branch Business Department)*);  |
| “Shengjing Bank (Wanquan Branch)”  | 盛京銀行瀋陽市萬泉支行(Shengjing Bank (Wanquan Branch)*);   |
| “Shengjing Bank (Yaming Branch)”   | 盛京銀行瀋陽市亞明支行(Shengjing Bank (Yaming Branch)*);  |
| “Shenyang Automobile”  | 瀋陽華晨汽車有限公司(Shenyang Brilliance Automobile Co., Ltd.*), a company established in the PRC and its equity interest is owned as to 100% by an Independent Third Party according to the Independent Forensic Investigation;   |
| “Shenyang Automobile Financial Assistance” or “Shenyang Automobile Fund Transfers” | the 2020 Shenyang Automobile Fund Transfers and the 2021 Shenyang Automobile Fund Transfers;   |

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| “Shenyang Automobile Group” | Shenyang Automobile and Shenyang Xinruixiang;  |
| “Shenyang ChenFa”           | 瀋陽晨發汽車零部件有限公司(Shenyang ChenFa Automobile Component Co., Ltd.*), a company established in the PRC and its equity interests are owned as to 25% by the Company and 75% by Dalian Huaxia;                           |
| “Shenyang Guangtai”         | 瀋陽廣泰實業發展有限公司(Shenyang Guangtai Industrial Development Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;          |
| “Shenyang Huafa”            | 瀋陽華發汽車零部件科技有限公司(Shenyang Huafa Auto Parts Technology Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;           |
| “Shenyang Jianhua”          | 瀋陽建華汽車發動機有限公司(Shenyang Jianhua Motors Engine Co., Ltd*), a company established in the PRC and a wholly owned subsidiary of the Company;  |
| “Shenyang Xinruixiang”      | 瀋陽欣瑞祥企業管理有限公司(Shenyang Xinruixiang Enterprise Management Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Shenyang Automobile according to the Independent Forensic Investigation; |
| “Shenyang Zhengda”          | 瀋陽正達企業管理有限公司(Shenyang Zhengda Enterprise Management Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of Dalian Huaxia according to the Independent Forensic Investigation;            |
| “SJAI”                      | 瀋陽金杯汽車工業控股有限公司(Shenyang JinBei Automotive Industry Holdings Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of the Company;  |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited;   |

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| “subsidiary”              | has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);  |
| “Unauthorised Guarantees” | guarantees provided by SJA I in favour of China Everbright Bank, Export-Import Bank, Huaxia Bank and Harbin Bank as security for bank financing of Huachen in the aggregate amount of RMB5,898,000,000; |
| “US\$”                    | United States dollars, the lawful currency of the United States of America;   |
| “Xing Yuan Dong”          | 瀋陽興遠東汽車零部件有限公司 (Shenyang XingYuanDong Automobile Component Co., Ltd.*), a company established in the PRC and a wholly owned subsidiary of the Company;  |
| “Yingkou Bank”            | 營口銀行股份有限公司瀋陽分行 (Bank of Yingkou (Shengyang Branch)*); and   |
| “%”                       | per cent.   |

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

Hong Kong, 2nd September, 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.*