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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)**

### QUARTERLY UPDATE ON STATUS OF RESUMPTION

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

References are made to (i) the announcements of the Company dated 31st March, 2021, 14th April, 2021, 23rd April, 2021, 31st May, 2021, 30th June, 2021, 31st August, 2021, 30th September, 2021, 29th October, 2021, 30th December, 2021, 14th February, 2022, 30th March, 2022 and 30th June, 2022 in relation to, among other matters, delay in publication of the 2020 Annual Results, the 2021 Interim Results and the 2021 Annual Results, formation of independent board committee, appointment of independent investigator to conduct Independent Investigation on the Unauthorised Guarantees and the Additional Issues, delay in despatch of the 2020 Annual Report, the 2021 Interim Report and the 2021 Annual Report, the appointment of the Internal Control Consultant, the appointment of the independent investigator to conduct the Independent Forensic Investigation, the Resumption Guidance and suspension of trading in the shares of the Company from 9:00 a.m. on 31st March, 2021; (ii) the announcements of the Company dated 10th June, 2021, 15th December, 2021, 4th March, 2022 and 28th April, 2022 in relation to certain legal proceedings commenced against a wholly-owned subsidiary of the Company; (iii) the announcement of the Company dated 16th November, 2021 and 19th August, 2022 in relation to summary of key findings of the Independent Investigation and the Independent Forensic Investigation; (iv) the announcements of the Company dated 23rd December, 2021 and 19th August, 2022 in relation to results of the Internal Control Review and the Expanded Internal Control Review; (v) the announcements of the Company dated 12th January, 2022 and 24th May, 2022 in relation to the Restructuring; (vi) the audited annual results for the year ended 31st December, 2020 dated 29th July, 2022; (vii) the unaudited interim results for the six months ended 30th June, 2021 dated 29th July, 2022; (viii) the audited annual results for the year ended 31st December, 2021 dated 26th August, 2022; (ix) the unaudited interim results for the six months ended 30th June, 2022 dated 7th September, 2022; and (x) the announcement of the Company in relation to the notifiable transactions and connected transactions in respect of the Unauthorised Guarantees, the Deposit Pledges and the Fund Transfers dated 2nd September, 2022 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

\* For identification purposes only

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

The Group is principally engaged in the manufacture and sale of automotive components, and the provision of auto financing service in the People's Republic of China. The Group is also engaged in manufacture and sale of automobiles through its major associate. 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 disclosed in the results announcement of the Company for the year ended 31st December, 2020 dated 29th July, 2022, given the formal plan for the RBJAC Restructuring is still being formulated, an application was made by RBJAC to the Shenyang Intermediate People's Court on 4th July, 2022 for the postponement of the submission of the plan for the RBJAC Restructuring till 12th October, 2022. On 26th September, 2022, a further application was made by RBJAC to the Shenyang Intermediate People's Court for the postponement of the submission of the plan for the RBJAC Restructuring till 12th April, 2023. On 30th September, 2022, the Shenyang Intermediate People's Court granted an extension to 12th April, 2023 for RBJAC to submit its restructuring plan.

The Company will continue to closely monitor the development of the RBJAC Restructuring and actively cooperate with the subsequent restructuring procedures imposed by the Shenyang Intermediate People's Court.

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.

## **RESUMPTION GUIDANCE**

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:

- (a) 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;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) 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;
- (d) 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;

- (e) 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;
- (f) demonstrate compliance with Rule 13.24 of the Listing Rules;
- (g) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and
- (h) conduct an independent forensic investigation with a view to identifying all unauthorised 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.

Since the suspension in trading of the shares of the Company, the Board has been actively taking actions to fulfill all the Resumption Guidance. On the basis of the actions taken, on 16th September, 2022, the Company submitted a resumption application (the “**Resumption Application**”) to the Stock Exchange demonstrating the Company's fulfillment of the Resumption Guidance. Since then, the Company had submitted to the Stock Exchange further supplemental information on the Resumption Application. As at the date of this announcement, the Resumption Application is still being reviewed by the Stock Exchange and the resumption of trading in the shares of the Company is still pending approval and confirmation by the Stock Exchange.

The Company will update the shareholders of the Company and potential investors on, among others, the progress of the Resumption Application and the resumption of trading in the shares of the Company as and when appropriate.

## **OTHER UPDATES**

As disclosed in the Announcements, a number of legal proceedings had been made against SJA in the PRC.

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, the CEB RMB208 million Proceeding Trial Judgment, the CEB RMB30 million Proceeding Trial Judgment, the EIB Proceeding Trial Judgment, the Huaxia Bank RMB69 million Proceeding Trial Judgment and the Huaxia Bank RMB130 million Proceeding Trial Judgment (collectively, the “**Appeal Judgments**”) is subject to completion of appeal hearing by the Liaoning High People's Court (遼寧省高級人民法院).

In respect of the Appeal Judgments, as at the date of this announcement, it is estimated that the maximum loss to the Group 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. The Company is of the view that the Appeal Judgments currently do not affect the normal business and operations of the Group. As at the date of this announcement, the appeal hearings are ongoing.

## **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 are advised to exercise caution when dealing in the securities 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 September, 2022

*As at the date of this announcement, the Board comprises four executive Directors, Mr. Wu Xiao An (also known as Mr. Ng Siu On) (Chairman), Mr. Shen Tie Dong (Chief Executive Officer), Mr. Zhang Wei and Mr. Xu Daqing; and four independent non-executive Directors, Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia.*