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Brilliance Auto

華 晨 汽 車

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)

CONTINUING CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS WITH HUACHEN

References are made to the announcements of the Company dated 15 November 2017, 20 December 2017 and 6 December 2018 in relation to, among other things, certain agreements entered into between the Company and Huachen which constitute continuing connected transactions of the Company. Certain of such agreements will expire on 31 December 2020. As the parties intend to continue to carry out transactions of a similar nature from time to time after 31 December 2020, on 18 November 2020, the Company has entered into the Huachen CCT Agreements with Huachen so as to continue to conduct the Huachen CCTs for a period of three financial years commencing from 1 January 2021 to 31 December 2023.

As at the date of this announcement, 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). Accordingly, Huachen is a connected person of the Company under Chapter 14A of the Listing Rules. Hence, the Huachen CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As some of the applicable percentage ratios (other than the profits ratio) for the Huachen Proposed Caps in respect of the Huachen Non-Exempted CCTs are more than 5% and the Huachen Non-Exempted Proposed Caps are more than HK\$10 million, the Huachen Non-Exempted CCTs are subject to reporting, announcement and shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) for the Huachen Proposed Caps in respect of the Huachen Exempted CCTs are less than 5%, the Huachen Exempted CCTs are de minimis transactions exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting and announcement requirements under Rule 14A.76(2) of the Listing Rules.

Mr. Yan Bingzhe is a director of Huachen. Due to common directorship, Mr. Yan Bingzhe abstained from voting on the board resolutions approving the Huachen CCTs. Save as aforesaid, no Director has a material interest in the said Huachen CCTs.

CONTINUING CONNECTED TRANSACTIONS WITH RENAULT

References are made to the announcements of the Company dated 20 December 2017 and 6 December 2018 in relation to, among other things, certain agreements entered into between Renault and RBJAC which constitute continuing connected transactions of the Company. Certain of such agreements will expire on 31 December 2020. As the parties intend to continue to carry out transactions of a similar nature from time to time after 31 December 2020, on 18 November 2020, RBJAC, a non-wholly owned subsidiary of the Company, has entered into the Renault CCT Agreements with Renault so as to continue to conduct the Renault CCTs for a period of three financial years commencing from 1 January 2021 to 31 December 2023.

As at the date of this announcement, RBJAC's effective equity interest is owned as to 51% by the Company and as to 49% by Renault, respectively. Accordingly, Renault is a connected person of the Company only by virtue of being a substantial shareholder of the Company's non-wholly owned subsidiary. Hence, the Renault CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Renault is a connected person of the Company at the subsidiary level; (ii) each of the Renault CCT Agreements are entered into on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved each of the Renault CCT Agreements and confirmed that the terms of each of the Renault CCT Agreements are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, each of the Renault CCT Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WITH BEA CHINA

BBAFC, a non-wholly owned subsidiary of the Company, has been providing co-lending finance management services to BEA China. The existing services were previously de minimis continuing connected transactions of the Company. As the amount of the co-lending finance management services to be provided and the total amount of management fees payable by BEA China are expected to increase, on 18 November 2020, BBAFC entered into the BEA Co-Lending Finance Management Services Agreement with BEA China so as to conduct the BEA CCTs for a period of three financial years commencing from 1 January 2021 to 31 December 2023.

As at the date of this announcement, BBAFC's effective equity interest is owned (among others) as to 55% by the Company and as to 22.5% by The Bank of East Asia, Limited, respectively. Accordingly, The Bank of East Asia, Limited is a connected person of the Company only by virtue of being a substantial shareholder of the Company's non-wholly owned subsidiary. Hence, the BEA CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) for the BEA Proposed Caps in respect of the BEA CCTs are less than 5%, the BEA CCTs are de minimis transactions exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting and announcement requirements under Rule 14A.76(2) of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps.

A circular containing, amongst other things, details of the Huachen Non-Exempted CCTs and the Huachen Non-Exempted Proposed Caps, letter from the Independent Board Committee and the letter from the Independent Financial Adviser and a notice to Shareholders convening the Special General Meeting to approve (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps, in accordance with the requirements of the Listing Rules, will be despatched to Shareholders within 15 business days from the date of this announcement.

I. THE CONTINUING CONNECTED TRANSACTIONS WITH HUACHEN

References are made to the announcements of the Company dated 15 November 2017, 20 December 2017 and 6 December 2018 in relation to, among other things, certain agreements entered into between the Company and Huachen which constitute continuing connected transactions of the Company.

Background of the Huachen CCTs

The Group is engaged in the manufacture and sale of minibuses, MPVs and automotive components through its major operating subsidiaries. During the course of its business, the Group acquires materials and automotive components from the Huachen Group, sells automobiles, materials and automotive components to the Huachen Group and provides and obtains services to/from the Huachen Group, on an ongoing basis.

The Huachen CCTs

A. Sale of automobiles, materials and/or automotive components by members of the Group to members of the Huachen Group

Vendor	:	The Group
Purchaser	:	Huachen Group
Agreement	:	On 18 November 2020, the Company and Huachen entered into the Huachen Sale Framework Agreement in relation to the sale of automobiles, materials and/or automotive components by members of the Group to members of the Huachen Group for a period of three financial years commencing from 1 January 2021 to 31 December 2023.
Pricing policy	:	<p>The pricing for each sale of the automobiles, materials or automotive components to the Huachen Group is determined by the relevant members of the Group based on the following terms:</p> <ul style="list-style-type: none">(i) by reference to the prevailing market price; or(ii) where (i) above is not appropriate or applicable, at a price to be agreed between the Group and the Huachen Group upon the basis of the principle of “cost plus”.

With regard to pricing term (i), this applies to the sale of automobiles by RBJAC to the Huachen Group and sale of certain materials such as decorative strips, side corner window assemblies and sealing strips by members of the Group to the Huachen Group. As the automobiles manufactured by RBJAC and materials such as decorative strips, side corner window assemblies and sealing strips produced by members of the Group are also for sale to independent third parties, the pricing for each sale of automobiles by RBJAC and materials such as decorative strips, side corner window assemblies and sealing strips by members of the Group to the Huachen Group will be determined by reference to the prevailing market price of the automobiles and materials concerned.

Market price means the price at which the same or comparable type of products is offered to independent third parties in the same area on normal commercial terms in the ordinary course of business. Market price may be determined by reference to (a) the price that the Group offered to independent customers for comparable products in response to the invitations to tender made by customers; or (b) if there is no tendering process, the price agreed between the Group and independent customers after arm's length negotiations and on normal commercial terms for the sale of comparable products. In any event, terms of each sale to the Huachen Group shall be no more favourable than the terms offered to independent customers for sale of comparable products.

With regard to pricing term (ii), this applies to the sale of materials or automotive components by members of the Group to the Huachen Group. The materials and automotive components to be sold to the Huachen Group by the Group are either specially designed for fit-in the specifications requested by the Huachen Group in its car manufacturing/component processing businesses or for the Huachen Group to further process into automotive components to be used by the Group, which would not be entirely compatible with the specifications of other car manufacturers. No prevailing market price of the same materials and automotive components with the same specification is available and could be used as the basis for determining pricing.

Cost plus is determined based on the cost for manufacturing the required specification and quantity of the materials or automotive components to be sold to the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, raw materials, production cost, processing cost, transportation cost, procurement cost, labour, taxation, management fee and the amortisation to the production plant and equipment, etc. In determining the margin to be used, the Group will mainly make reference to the internal target profit margin of the relevant products to be sold to the Huachen Group.

The cost plus pricing method applies to cases where the relevant product of the Group is tailor-made for use by the Huachen Group for further processing or for manufacturing automobiles and thus no prevailing market price of the same product is available. Save for the sale of automobiles by RBJAC and sale of certain materials such as decorative strips, side corner window assemblies and sealing strips by members of the Group where the pricing will be based on prevailing market price, the pricings of all other transactions under this category of the Huachen CCTs will be determined on the cost plus basis.

B. Purchases of materials and/or automotive components by members of the Group from members of the Huachen Group

Vendor	:	Huachen Group
Purchaser	:	The Group
Agreement	:	On 18 November 2020, the Company and Huachen entered into the Huachen Purchase Framework Agreement in relation to the purchases of materials and/or automotive components by members of the Group from members of the Huachen Group for a period of three financial years commencing from 1 January 2021 to 31 December 2023.
Pricing policy	:	The pricing for each purchase of the materials or automotive components from the Huachen Group for use in the Group's automobile manufacturing is determined at a price to be agreed between the Group and the Huachen Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for manufacturing the required specification and quantity of the materials or automotive components to be purchased from the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, material cost, labour cost, taxation, management fee and storage fee, etc. In determining the margin to be used, the Group will make reference to the internal target profit margin of different vehicle models of the Group that is expected to be achieved by the Group.

In the course of production, certain members of the Group will purchase materials and automotive components from the Huachen Group for further processing and will sell back the press parts and welding parts to the Huachen Group for the latter's production of Zhonghua sedans. In addition, a member of the Group will collect scrap materials such as scrap steel, defective components and non-metal packaging materials from Huachen and sell directly to other waste collectors for extracting useful materials. The pricing for each purchase of materials and automotive components by members of the Group from the Huachen Group will be determined by reference to the cost plus basis.

C. Provision of services by members of the Group to members of the Huachen Group

Parties	:	The Company and Huachen
Comprehensive service agreement	:	On 18 November 2020, the Company and Huachen entered into the Huachen Comprehensive Service Provision Agreement in relation to the provision of services by members of the Group to members of the Huachen Group for a period of three financial years commencing from 1 January 2021 to 31 December 2023.
Services to be provided by members of the Group	:	Services to be provided by members of the Group to members of the Huachen Group mainly include transportation, energy and technical support services.
Pricing policy for transportation services	:	The pricing for transportation services to be provided by the Group to the Huachen Group is determined at a price to be agreed between the Group and the Huachen Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the required services to the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, the cost of transportation of automobiles, labour cost, storage cost, toll fees for roads and bridges usage and reasonable wear and tear costs, etc. In determining the margin to be used, the Group will make reference to the internal target profit margin of different services of the Group that is expected to be achieved by the Group.

Pricing policy for : The fees for energy services to be provided by the Group
energy services to the Huachen Group is determined at a price to be
agreed between the Group and the Huachen Group upon
the basis of the principle of “cost plus”.

Cost plus is determined based on the cost for providing the required service to the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, labour, taxation, management fee, completion time frame and material cost, etc. In determining the margin to be used, the Group will make reference to the internal target profit margin of different services of the Group that is expected to be achieved by the Group.

Pricing policy : The pricing for technical support services to be provided
for technical by the Group to the Huachen Group is determined at a
support services price to be agreed between the Group and the Huachen
Group upon the basis of the principle of “cost plus”.

Cost plus is determined based on the cost for providing the required service to the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, labour, taxation, management fee, completion time frame and material cost, etc. In determining the margin to be used, the Group will make reference to the internal target profit margin of different services of the Group that is expected to be achieved by the Group.

D. Purchase of services by members of the Group from members of the Huachen Group

Parties : The Company and Huachen

Comprehensive : On 18 November 2020, the Company and Huachen
service entered into the Huachen Comprehensive Service
agreement Receiving Agreement in relation to the purchases of
services by members of the Group from members of
the Huachen Group for a period of three financial years
commencing from 1 January 2021 to 31 December 2023.

Services to be : Services to be provided by members of the Huachen
provided by Group to members of the Group mainly include
members of the information technology support, transportation, as well as
Huachen Group sewage treatment services.

Pricing policy for information technology support services :	<p>The pricing for information technology support services to be provided by the Huachen Group to the Group is determined at a price to be agreed between the Group and the Huachen Group upon the basis of the principle of “cost plus”.</p> <p>Cost plus is determined based on the cost for providing the required services to be purchased from the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, the expenses incurred by the usage of resources such as computers and servers, etc. by the Group on a pro-rata basis with reference to the number of users of the systems, the number of computers provided to the Group, the number of users of the internet services, and utility rate or usage amount of the servers, etc.</p>
Pricing policy for transportation services :	<p>The pricing for transportation services to be provided by the Huachen Group to the Group is determined at a price to be agreed between the Group and the Huachen Group by reference to the prevailing market price.</p> <p>Market price means the price at which the same or comparable type of services is obtained from independent third parties in the same area on normal commercial terms in the ordinary course of business. For the purpose of obtaining market prices, the Group will make reference to the price quotations obtained from other independent service providers for comparable services in determining the market price. In any event, terms of each purchase from the Huachen Group shall be no less favourable than the terms which can be obtained from independent suppliers for purchase of comparable services.</p>
Pricing policy for sewage treatment services :	<p>The fees for sewage treatment services to be provided by the Huachen Group to the Group is determined at a price to be agreed between the Group and the Huachen Group upon the basis of the principle of “cost plus”.</p> <p>Cost plus is determined based on the cost for providing the required service to be purchased from the Huachen Group plus a margin as agreed between the Group and the Huachen Group and the cost is estimated with reference to, where applicable, labour and material cost, etc.</p>

E1. Lease of premises by the RBJAC Group from the Huachen Group

Lessor	:	The Huachen Group
Lessee	:	RBJAC
Agreement	:	On 18 November 2020, RBJAC and Huachen entered into the Huachen Premises Leasing Framework Agreement, pursuant to which the RBJAC Group agreed to lease from the Huachen Group premises to be used for and as research and development centre and vehicle testing centre for the purpose of the RBJAC Group's daily operation.

The parties will enter into individual lease agreement setting out specific terms including the transaction price determination, settlement method, payment terms and timing of payment. Such terms will be consistent with the principles and the terms of the Huachen Premises Leasing Framework Agreement.

Term	:	The Huachen Premises Leasing Framework Agreement is for a period of three financial years from 1 January 2021 to 31 December 2023.
Pricing policy	:	The fees for the lease of the premises to be used for and as research and development centre shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Huachen Group upon the basis of the principle of "cost plus".

The fees for the lease of the premises to be used for and as vehicle testing centre shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Huachen Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the premises by the Huachen Group plus a margin as agreed between the RBJAC Group and the Huachen Group and the cost is estimated with reference to the expenses incurred by the usage of premises, electricity and other utilities, etc. by the RBJAC Group on a pro-rata basis with reference to the duration and area of usage, the number of staff of the RBJAC Group utilising the premises, and the technical set-up requirements of the testing venue to perform the vehicle testing.

The lease of the premises from the Huachen Group contemplated under the Huachen Premises Leasing Framework Agreement will be conducted in the ordinary and usual course of business of the RBJAC Group and the Huachen Group on normal commercial terms and on terms not less favourable than those to be provided by other independent third parties (if available).

E2. Lease of factory facilities by RBJAC from Huachen

As disclosed in the announcement issued by the Company on 20 December 2017, RBJAC and Huachen entered into the Huachen Lease Agreement on 15 December 2017 in relation to the lease of certain factory facilities, workshops and office space with a total area of approximately 43,795.5 sq. m. by Huachen to RBJAC for a period of 20 years commencing from 1 December 2017. The principal terms of the Huachen Lease Agreement are summarised below:

Lessor	:	Huachen
Lessee	:	RBJAC
Location of property	:	Properties located at Dadong District, Shenyang, the PRC
Term	:	For a period of 20 years commencing from 1 December 2017.
Rental	:	Approximately RMB4,232,000 per annum to be reviewed at the fifth anniversary of its term, being around 1 December 2022.
Pricing policy	:	The terms of the Huachen Lease Agreement were arrived at after arm's length negotiations between RBJAC and Huachen with reference to the market terms of similar properties of similar usage in Dadong District, Shenyang, the PRC.

The existing annual caps for the transactions contemplated under the Huachen Lease Agreement will expire on 31 December 2020. Since the Huachen Lease Agreement will continue until 30 November 2037, the Board proposes the new annual caps for the transactions contemplated under the Huachen Lease Agreement for the three financial years ending 31 December 2023.

As the transactions under the Huachen Lease Agreement and the Huachen Premises Leasing Framework Agreement are of a similar nature, the proposed annual caps for the transactions contemplated under the Huachen Lease Agreement and the Huachen Premises Leasing Framework Agreement will be aggregated.

For further details on the Huachen Lease Agreement, please refer to the announcement issued by the Company on 20 December 2017.

The Huachen CCT Agreements only set out the overriding and major terms of the transactions to be carried out by the relevant parties. Details of the terms and conditions (including payment mode and payment terms) for the transactions contemplated under the Huachen CCT Agreements will be dealt with in the purchase orders to be placed by the relevant purchaser, which will be in line with the company policies adopted by the relevant vendor from time to time and may be varied in accordance with the prevailing market situation. The scope and fees for services to be provided or rendered under the Huachen CCT Agreements will be agreed by the relevant parties with reference to the pricing policies of the relevant service provider and the prevailing market condition. All the payments under the Huachen CCT Agreements shall, subject to assessments based on the payment policies of the relevant vendor/service provider at the material time, be normally settled in cash or note payable with credit terms ranging from 30 to 90 days, which is the usual credit term policy adopted by the Group.

II. THE CONTINUING CONNECTED TRANSACTIONS WITH RENAULT

References are made to the announcements of the Company dated 20 December 2017 and 6 December 2018 in relation to, among other things, certain agreements entered into between Renault and RBJAC which constitute continuing connected transactions of the Company.

Background of the Renault CCTs

On 20 December 2017, the Group and Renault formed RBJAC with an aim to manufacture and distribute, among others, LCV products under the Renault brand. During the course of its business, RBJAC will acquire automobiles, materials and/or automotive components from the Renault Group and obtain services from the Renault Group, on an ongoing basis. Details of these agreements are set out below:

F. Purchases of automobiles, materials, automotive components and/or production related items by the RBJAC Group from the Renault Group

Vendor	:	The Renault Group
Purchaser	:	The RBJAC Group
Agreement	:	On 18 November 2020, RBJAC and Renault entered into the Renault Framework Purchase Agreement in relation to the purchases of automobiles, materials, automotive components and/or production related items by the RBJAC Group from the Renault Group for the purpose of the RBJAC Group's daily operation for a period of three financial years from 1 January 2021 to 31 December 2023.

The parties will enter into individual purchase agreement setting out specific terms including the transactions price determination, settlement method, payment terms and timing of payment. Such terms will be consistent with the principles and the terms of the Renault Framework Purchase Agreement.

Pricing policy	:	The pricing for each purchase of automobiles, materials, automotive components and/or production related items from the Renault Group for use in RBJAC's automobile manufacturing shall be mainly determined at a price to be agreed between the Renault Group and the RBJAC Group upon the basis of the principle of "cost plus".
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Cost plus is determined based on the cost for manufacturing the required specification and quantity of the automobiles, materials, automotive components and/or production related items to be purchased from the Renault Group plus a margin as agreed between the RBJAC Group and the Renault Group and the cost is estimated with reference to, where applicable, material cost, labour cost, taxation, management fee and storage fee, etc. In determining the margin to be used, the RBJAC Group will make reference to the internal target profit margin of different vehicle models of the RBJAC Group that is expected to be achieved by the RBJAC Group.

The purchases of automobiles, materials, automotive components and/or production related items from the Renault Group under the Renault Framework Purchase Agreement will be conducted in the ordinary and usual course of business of the RBJAC Group and the Renault Group on normal commercial terms and on terms not less favourable than those to be provided by other independent third parties (if available).

G. Purchase of services by the RBJAC Group from the Renault Group

Parties	:	RBJAC and Renault
Agreement	:	On 18 November 2020, RBJAC and Renault entered into the Renault Comprehensive Services Framework Agreement in relation to the purchases of services by the RBJAC Group from the Renault Group for a period of three financial years from 1 January 2021 to 31 December 2023.
Services to be provided by the Renault Group	:	Services to be provided by the Renault Group to the RBJAC Group mainly include technical assistant services, information technology support services, research and development services, and personnel secondment services.
Pricing policy for technical assistant services	:	The pricing for technical assistant services to be provided by the Renault Group to the RBJAC Group shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Renault Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the required services to be purchased from the Renault Group plus a margin as agreed between the RBJAC Group and the Renault Group and the cost is estimated with reference to, where applicable, labour, expertise, time spent, travel, meal allowances, and accommodation expenses etc.

Pricing policy for :
information
technology
support services

The pricing for information technology support services to be provided by the Renault Group to the RBJAC Group shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Renault Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the required services to be purchased from the Renault Group plus a margin as agreed between the RBJAC Group and the Renault Group and the cost is estimated with reference to, where applicable, the expenses incurred by the usage of resources such as computers and servers, etc. by the RBJAC Group on a pro-rata basis with reference to the number of users of the systems, the number of computers provided to the RBJAC Group, the number of users of the internet services, and utility rate or usage amount of the servers, etc.

Pricing policy for :
research and
development
services

The pricing for research and development services to be provided by the Renault Group to the RBJAC Group shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Renault Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the required services to be purchased from the Renault Group plus a margin as agreed between the RBJAC Group and the Renault Group and the cost is estimated with reference to, where applicable, complexity of the design, research and development and labour cost etc.

Pricing policy for personnel secondment services : The pricing for personnel secondment services to be provided by the Renault Group to the RBJAC Group shall be determined principally on arm's length commercial negotiations according to the principles of fairness and reasonableness at a price to be agreed between the RBJAC Group and the Renault Group upon the basis of the principle of "cost plus".

Cost plus is determined based on the cost for providing the required services to be purchased from the Renault Group plus a margin as agreed between the RBJAC Group and the Renault Group and the cost is estimated with reference to, where applicable, the positions of the personnel in the RBJAC Group, expertise, time spent, travel cost, business entertainment and invitation, vehicle use, office supplies, telecommunication costs and other normal costs etc.

In determining the margin to be used for each of the services under the Renault Comprehensive Services Framework Agreement, the RBJAC Group will make reference to the internal target profit margin of different vehicle models of the RBJAC Group that is expected to be achieved by the RBJAC Group.

The purchases of services from the Renault Group under the Renault Comprehensive Services Framework Agreement will be conducted in the ordinary and usual course of business of the RBJAC Group and the Renault Group on normal commercial terms and on terms not less favourable than those to be provided by other independent third parties (if available).

The Renault CCT Agreements only set out the overriding and major terms of the transactions to be carried out by the relevant parties. Details of the terms and conditions (including payment mode and payment terms) for the transactions contemplated under the Renault CCT Agreements will be dealt with in the purchase orders to be placed by the relevant purchaser, which will be in line with the company policies adopted by the relevant vendor from time to time and may be varied in accordance with the prevailing market situation. The scope and fees for services rendered under the Renault CCT Agreements will be agreed by the relevant parties with reference to the pricing policies of the relevant provider and the prevailing market condition. All the payments under the Renault CCT Agreements shall, subject to assessments based on the payment policies of the relevant vendor/service provider at the material time, be normally settled in cash or note payable with credit terms ranging from 30 to 90 days, which is the usual credit term policy adopted by the Group.

III. THE CONTINUING CONNECTED TRANSACTIONS WITH BEA CHINA

Background of the BEA CCTs

BBAFC, a non-wholly owned subsidiary of the Company, has been providing co-lending finance management services to BEA China. The existing services were previously de minimis continuing connected transactions of the Company. As the amount of co-lending finance management services to be provided and the total amount of management fees payable by BEA China are expected to increase, on 18 November 2020, BBAFC entered into the BEA Co-Lending Finance Management Services Agreement with BEA China. BBAFC is a non-wholly owned subsidiary of the Company, the effective equity interest of which is owned, among others, as to 55% by the Company and 22.5% by The Bank of East Asia, Limited, respectively. BBAFC engages in the provision of auto financing service to customers and dealers in the PRC.

H. Provision of co-lending finance management services by BBAFC to BEA China

Parties	:	BBAFC and BEA China
Agreement	:	On 18 November 2020, BBAFC and BEA China entered into the BEA Co-Lending Finance Management Services Agreement in relation to the provision of co-lending finance management services by BBAFC to BEA China for a period of three financial years from 1 January 2021 to 31 December 2023.

- Services to be provided by BBAFC : Services to be provided by BBAFC to BEA China mainly include finance marketing services, customer risk assessment services, vehicles licensing and mortgage registration services, post financing client management services, loan repayment collection services and any ancillary services associated with auto financing in relation to all co-lending auto financing provided by BBAFC and BEA China to independent third party automobile purchasers.
- Pricing policy for co-lending finance management services : The pricing for services to be provided by BBAFC to BEA China shall be calculated by multiplying the amount of interest receivable by BEA China under the particular auto finance transaction managed by BBAFC and the prevailing market rate for the provision of the finance management services.

Market rate means the rate at which the same or comparable type of services is offered to independent third parties in the same area on normal commercial terms in the ordinary course of business. Market rate may be determined by reference to (a) the rate that BBAFC offered to other independent financial institutions for comparable services; or (b) the rate agreed between BBAFC and other independent financial institutions after arm's length negotiations and on normal commercial terms for the provision of comparable services. In any event, terms of provision of the finance management services to BEA China shall be no more favourable than the terms offered to other independent financial institutions for provision of comparable services.

The BEA Co-Lending Finance Management Services Agreement only sets out the overriding and major terms of the transactions to be carried out by the relevant parties. The scope and fees for services rendered under the BEA Co-Lending Finance Management Services Agreement will be agreed by the relevant parties with reference to the pricing policies under the BEA Co-Lending Finance Management Services Agreement and the prevailing market condition. All the payments under the BEA Co-Lending Finance Management Services Agreement shall, subject to assessments based on the payment policies of BBAFC at the material time, be normally settled in cash or note payable with credit terms ranging from 30 to 90 days, which is the usual credit term policy adopted by the Group.

IV. HUACHEN PROPOSED CAPS AND HISTORICAL FIGURES

Huachen Approved Caps and historical figures

The following table sets out the Huachen Approved Caps and the actual sales/purchases of the Huachen CCTs during the three financial years ended/ending 31 December 2020:

Huachen CCTs	For the financial year ended/ending 31 December					
	2018		2019		2020	
	Huachen Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000)	Huachen Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000)	Huachen Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000) (For the six months ended 30 June 2020)
A Sale of automobiles, materials and/or automotive components by members of the Group to members of the Huachen Group	3,698,890	575,853	4,931,890	472,629	6,138,590	109,632
B Purchases of materials and/or automotive components by members of the Group from members of the Huachen Group	1,638,200	383,025	2,406,400	310,457	3,836,700	83,355
C Provision of services by members of the Group to members of the Huachen Group (Note 1)	124,815	58,912	116,623	28,513	113,604	15,604
D Purchase of services by members of the Group from members of the Huachen Group (Notes 2 and 3)	916,344	290,093	1,172,205	90,943	1,225,638	6,275
E Lease of premises by the RBJAC Group from the Huachen Group and lease of factory facilities by RBJAC from Huachen (Notes 4 and 5)	7,382	6,243	11,582	3,688	11,582	1,783

Notes:

- (1) The approved cap amounts were originally announced pursuant to an announcement published by the Company on 15 November 2017 and subsequently revised pursuant to an announcement published by the Company on 6 December 2018.
- (2) The approved cap amounts represent the aggregate of (a) the annual cap amounts for the comprehensive service agreement in relation to the purchase of services by members of the Group from members of the Huachen Group as announced by the Company on 15 November 2017 and (b) the annual cap amounts for the General Services Agreement in relation to the provision of general services by Huachen to RBJAC as announced by the Company on 20 December 2017.
- (3) The actual amounts represent the aggregate of (a) the actual amounts under the comprehensive service agreement in relation to the purchase of services by members of the Group from members of the Huachen Group as announced by the Company on 15 November 2017 and (b) the actual amounts under the General Services Agreement, for the stated period.
- (4) The approved cap amounts represent the aggregate of (a) the annual cap amounts for the Former Huachen Premises Leasing Framework Agreement as announced by the Company on 6 December 2018 and (b) the annual cap amounts for the Huachen Lease Agreement as announced by the Company on 20 December 2017, for the stated period.
- (5) The actual leased amount represents the aggregate of (a) the actual lease amounts under the Former Huachen Premises Leasing Framework Agreement and (b) the actual lease amounts under the Huachen Lease Agreement, for the stated period.

Due to various factors such as slow down in the global economy, change in product mix of the Group or the counterparties, change in momentum of the automobile industry, and change in production flow of the Group or the counterparties which triggers a decrease in demand of automotive components, the actual sales/purchases in respect of the continuing connected transactions for the three financial years ending 31 December 2020 were less than the Huachen Approved Caps for the three financial years ending 31 December 2020.

Huachen Proposed Caps

Resolution(s) in respect of the Huachen Non-Exempted CCTs and the Huachen Non-Exempted Proposed Caps shall be put forward to the Independent Shareholders at the Special General Meeting seeking their approval for the Huachen Non-Exempted Proposed Caps set out opposite to categories A and B in the following table.

The Company shall comply with the applicable requirements under the Listing Rules in the event that (i) any of the Huachen Exempted CCTs exceeds the de minimis threshold in the future; or (ii) any of the Huachen Non-Exempted Proposed Caps exceeds the monetary value set out in the said table below.

The following table sets out the Huachen Proposed Caps of the Huachen CCTs for the three financial years ending 31 December 2023:

Huachen CCTs	For the financial year ending 31 December		
	2021 Huachen Proposed Cap (RMB'000)	2022 Huachen Proposed Cap (RMB'000)	2023 Huachen Proposed Cap (RMB'000)
A Sale of automobiles, materials and/or automotive components by members of the Group to members of the Huachen Group (Note 1)	1,000,361	1,384,934	2,112,856
B Purchases of materials and/or automotive components by members of the Group from members of the Huachen Group (Note 1)	295,438	369,438	499,438
C Provision of services by members of the Group to members of the Huachen Group (Note 1)	81,036	94,138	111,668
D Purchase of services by members of the Group from members of the Huachen Group (Note 1)	31,758	32,750	34,785
E Lease of premises by the RBJAC Group from the Huachen Group and lease of factory facilities by RBJAC from Huachen (Notes 1, 2 and 3)	5,318	4,933	4,813

Notes:

- (1) Pursuant to the Huachen CCT Agreements, (i) the Company is entitled to procure any member of the Group to perform the Group's obligation to purchase or sell (as the case may be) the automobiles, materials, automotive components or services (as the case may be) from or to the Huachen Group (as the case may be) in any circumstances including change in the structure of the Group or change in the product mix of any member of the Group, and (ii) RBJAC is entitled to procure any of its subsidiaries (if any) to lease the premises from the Huachen Group.
- (2) The proposed cap amounts represent the aggregate of (a) the annual cap amounts for the lease of premises by the RBJAC Group from the Huachen Group pursuant to the Huachen Premises Leasing Framework Agreement and (b) the annual cap amounts for the lease of factory facilities by RBJAC from Huachen pursuant to the Huachen Lease Agreement.
- (3) As announced on 20 December 2017, the lease of factory facilities by RBJAC from Huachen pursuant to the Huachen Lease Agreement is for a period of 20 years. The proposed caps under the Huachen Lease Agreement for each of the three financial years ending 31 December 2023 are RMB4,232,000, which have been included in the cap set out in this table. The proposed annual caps for the three financial years ending 31 December 2024, 2025 and 2026 will be announced by the Company around the end of 2023.

Basis in determining the Huachen Proposed Caps

In determining the Huachen Proposed Caps for the Huachen CCTs for the three financial years ending 31 December 2023, the Board has based their estimates on the sales forecast of the relevant financial years. Important and objective assumptions and factors, though not exhaustive but were arrived at after due and careful consideration of data currently in hand, are set out as below:

- the anticipated market condition of the automobile industry in the PRC in the three financial years ending 31 December 2023;
- the anticipated sales of automobiles by the Group in the coming three financial years ending 31 December 2023;
- the scheduled launch of new model of minibuses and MPVs and new range of automobiles by RBJAC, the production of which are, subject to market conditions, anticipated to commence in the coming three financial years ending 31 December 2023;
- changes in product mix in response to market demand which will result in changes in the types of materials and automotive components used and the monetary value of the purchases of such materials and automotive components from the connected parties;
- the expected decrease in demand for materials and automotive components from the Huachen Group and the anticipated sale of Zhonghua sedans in the PRC and overseas in the coming three financial years ending 31 December 2023;

- the expected rate of usage and demand for the premises, goods and services during the term of the Huachen CCTs estimated based on the historical transaction volume and amount where available;
- the expected prices for the relevant goods and services by reference to the historical prices and applicable rates;
- the historical figures of the Huachen CCTs (where applicable); and
- a certain percentage of buffer for potential increment in the transaction volume.

To ensure that the actual prices and fees for the transactions under each of the Huachen CCT Agreements will be no less favourable to the Group than that available from independent third parties (where available), members of the Group will conduct regular checks to review and assess whether the Huachen CCTs have been entered into in accordance with the terms of the relevant Huachen CCT Agreements. In addition, the auditors of the Company will be engaged to review the Huachen CCTs to assess whether the Huachen CCTs have been carried out in accordance with the pricing policies of the Group.

V. RENAULT PROPOSED CAPS AND HISTORICAL FIGURES

Renault Approved Caps and historical figures

The following table sets out the Renault Approved Caps and the actual sales/purchases of the Renaults CCTs during the three financial years ended/ending 31 December 2020:

Renault CCTs	For the financial year ended/ending 31 December					
	2018		2019		2020	
	Renault Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000)	Renault Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000)	Renault Approved Cap (RMB'000)	Actual sales/ purchases (RMB'000) (For the six months ended 30 June 2020)
F Purchases of automobiles, materials and/or automotive components by the RBJAC Group from the Renault Group (Notes 1 and 2)	6,300	600	220,080	–	1,342,863	–
G Purchases of services by the RBJAC Group from the Renault Group	140,906	103,087	392,154	258,620	299,806	129,812

Notes:

- (1) The approved cap amounts represent the aggregate of (a) the annual cap amounts for the Renault Framework Imported Parts Supply Agreement as announced by the Company on 20 December 2017 and (b) the annual cap amounts for the Former Renault Framework Purchase Agreement as announced by the Company on 6 December 2018.
- (2) The actual cap amounts represent the aggregate of (a) the actual amounts under the Renault Framework Imported Parts Supply Agreement and (b) the actual amounts under the Former Renault Framework Purchase Agreement.

Due to various factors such as change in product mix of the Group or the counterparties, change in momentum of the automobile industry, and change in production flow of the Group or the counterparties which triggers a decrease in demand of automotive components, the actual sales/purchases in respect of the continuing connected transactions for the three financial years ending 31 December 2020 were less than the Renault Approval Caps for the three financial years ending 31 December 2020.

Renault Proposed Caps

The following table sets out the Renault Proposed Caps of the Renault CCTs for the three financial years ending 31 December 2023:

	For the financial year ending 31 December		
	2021	2022	2023
Renault CCTs	Renault Proposed Cap (RMB'000)	Renault Proposed Cap (RMB'000)	Renault Proposed Cap (RMB'000)
F Purchases of automobiles, materials, automotive components and/or production related items by the RBJAC Group from the Renault Group (Notes 1, 2 and 3)	35,089	136,543	330,772
G Purchases of services by the RBJAC Group from the Renault Group (Note 1)	163,784	149,607	104,868

Notes:

- (1) Pursuant to the Renault CCT Agreements, RBJAC is entitled to procure any of its subsidiaries (if any) to perform its obligations to purchase the automobiles, materials, automotive components and/or production related items or services (as the case may be) from the Renault Group, in any circumstances including change in the structure of the group or change in the product mix of any member of the RBJAC Group.
- (2) The proposed cap amounts represent the aggregate of (a) the annual cap amounts under the Renault Framework Imported Parts Supply Agreement and (b) the annual cap amounts under the Renault Framework Purchase Agreement.
- (3) As announced on 20 December 2017, the Renault Framework Imported Parts Supply Agreement will be in force as long as the Joint Venture Contract and the Renault Framework Technology License Contract are in force. The proposed caps under the Renault Framework Imported Parts Supply Agreement for the three financial years ending 31 December 2023 are nil, RMB75,000,000 and RMB240,000,000, which have been included in the cap set out in this table. The proposed annual caps for the three financial years ending 31 December 2024, 2025 and 2026 will be announced by the Company around the end of 2023.

Basis in determining the Renault Proposed Caps

In determining the Renault Proposed Caps for the Renault CCTs for the three financial years ending 31 December 2023, the Board has based their estimates on the historical transaction amounts, where applicable, and the sales forecast of the relevant financial years. Important and objective assumptions and factors, though not exhaustive but were arrived at after due and careful consideration of data currently in hand, are set out as below:

- the anticipated market condition of the automobile industry in the PRC in the three financial years ending 31 December 2023;
- the anticipated sales of automobiles by the RBJAC Group in the coming three financial years ending 31 December 2023;
- the scheduled launch of new model of minibuses and MPVs and new range of automobiles by RBJAC, the production of which are, subject to market conditions, anticipated to commence in the coming three financial years ending 31 December 2023;
- the expected demand for materials and automotive components from the Renault Group in anticipation of the commencement of the production of new range of automobiles by RBJAC in the PRC in the coming three financial years ending 31 December 2023;
- the anticipated demand for research and development as well as information technology support services from the Renault Group by RBJAC;

- the expected rate of usage and demand for the goods and services during the term of Renault CCTs estimated based on the historical transaction volume and amount where available;
- the expected prices for the relevant goods and services by reference to the historical prices and applicable rates;
- the historical figures of the Renault CCTs (where applicable); and
- a certain percentage of buffer for potential increment in the transaction volume.

To ensure that the actual prices and fees for the transactions under each of the Renault CCT Agreements will be no less favourable to the Group than that available from independent third parties (where available), members of the Group will conduct regular checks to review and assess whether the Renault CCTs have been entered into in accordance with the terms of the relevant Renault CCT Agreements. In addition, the auditors of the Company will be engaged to review the Renault CCTs to assess whether the Renault CCTs have been carried out in accordance with the pricing policies of the Group.

VI. BEA PROPOSED CAPS

BEA historical figures

The following table sets out the historical management fees paid by BEA China to BBAFC during the two financial years ended 31 December 2019 and the six months ended 30 June 2020:

BEA CCTs	For the financial year ended 31 December		For the six months ended 30 June
	2018 (RMB'000)	2019 (RMB'000)	2020 (RMB'000)
H Provision of co-lending finance management services by BBAFC to BEA China	6,068	2,437	5,276

BEA Proposed Caps

The following table sets out the BEA Proposed Caps of the BEA CCTs for the three financial years ending 31 December 2023:

BEA CCTs	For the financial year ending 31 December		
	2021	2022	2023
	BEA	BEA	BEA
	Proposed Cap (RMB'000)	Proposed Cap (RMB'000)	Proposed Cap (RMB'000)
H Provision of co-lending finance management services by BBAFC to BEA China	72,034	100,184	151,955

Basis in determining the BEA Proposed Caps

In determining the BEA Proposed Caps for the BEA CCTs for the three financial years ending 31 December 2023, the Board has based their estimates on the historical transaction amounts, where applicable, and the sales forecast of the relevant financial years. Important and objective assumptions and factors, though not exhaustive but were arrived at after due and careful consideration of data currently in hand, are set out as below:

- the anticipated market condition of the automobile industry in the PRC in the three financial years ending 31 December 2023;
- the anticipated demand for auto financing in the PRC in the three financial years ending 31 December 2023 based on retail sales forecast for the corresponding period;
- the anticipated volume of co-lending transactions undertaken by BBAFC and BEA China in the three financial years ending 31 December 2023;
- the anticipated level of management services required by BEA China in the three financial years ending 31 December 2023;
- the anticipated market interest rate for auto financing in the PRC in the three financial years ending 31 December 2023;

- the market range of management fees for provision of comparable type of services in the PRC;
- the historical figures of the BEA CCTs; and
- a certain percentage of buffer for potential increment in the transaction volume.

To ensure that the actual fees for the transactions under the BEA Co-Lending Finance Management Services Agreement will be no less favourable to the Group than that available from independent third parties (where available), members of the Group will conduct regular checks to review and assess whether the BEA CCTs have been entered into in accordance with the terms of the BEA Co-Lending Finance Management Services Agreement. In addition, the auditors of the Company will be engaged to review the BEA CCTs to assess whether the BEA CCTs have been carried out in accordance with the pricing policies of the Group.

VII. REQUIREMENTS OF THE LISTING RULES

Huachen

As at the date of this announcement, Huachen is, through its wholly-owned subsidiary, Liaoning Xinrui, interested in 1,535,074,988 Shares (representing approximately 30.43% of the entire issued share capital of the Company). Accordingly, Huachen is a connected person of the Company under the Listing Rules. Hence, the Huachen CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As some of the applicable percentage ratios (other than the profits ratio) for the Huachen Proposed Caps in respect of the Huachen Non-Exempted CCTs are more than 5% and the Huachen Non-Exempted Proposed Caps are more than HK\$10 million, the Huachen Non-Exempted CCTs are subject to reporting, announcement and shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) for the Huachen Proposed Caps in respect of the Huachen Exempted CCTs are less than 5%, the Huachen Exempted CCTs are de minimis transactions exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting and announcement requirements under Rule 14A.76(2) of the Listing Rules.

Mr. Yan Bingzhe is a director of Huachen. Due to common directorship, Mr. Yan Bingzhe abstained from voting on the board resolutions approving the Huachen CCTs. Save as aforesaid, no Director has a material interest in the said Huachen CCTs.

Renault

As at the date of this announcement, RBJAC's effective equity interest is owned as to 51% by the Company and as to 49% by Renault, respectively. Accordingly, Renault is a connected person of the Company only by virtue of being a substantial shareholder of the Company's non-wholly owned subsidiary. Hence, the Renault CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Renault is a connected person of the Company at the subsidiary level; (ii) each of the Renault CCT Agreements are entered into on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved each of the Renault CCT Agreements and confirmed that the terms of each of the Renault CCT Agreements are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, each of the Renault CCT Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

BEA China

As at the date of this announcement, BBAFC's effective equity interest is owned (among others) as to 55% by the Company and as to 22.5% by The Bank of East Asia, Limited, respectively. Accordingly, The Bank of East Asia, Limited is a connected person of the Company only by virtue of being a substantial shareholder of the Company's non-wholly owned subsidiary. Hence, the BEA CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) for the BEA Proposed Caps in respect of the BEA CCTs are less than 5%, the BEA CCTs are de minimis transactions exempt from the circular, independent financial advice and shareholders' approval requirements but are subject to the reporting and announcement requirements under Rule 14A.76(2) of the Listing Rules.

VIII. REASONS FOR THE HUACHEN CCTS, THE RENAULT CCTS AND THE BEA CCTS

Reasons for the Huachen CCTs

The Group is engaged in the manufacture and sale of minibuses, MPVs and automotive components through its major operating subsidiaries. The manufacture and sale of minibuses by the Group is carried out by RBJAC, which is effectively owned as to 51% by the Company and 49% by Renault. The other subsidiaries of the Company are mainly engaged in the manufacture and sale of automotive components in the PRC, and some of such automotive components are sold to RBJAC or the Huachen Group for use in its assembly process as an automobile manufacturer. All the Huachen CCTs are carried out in the ordinary course of business of the Group and are expected to continue to be carried out in the three financial years ending 31 December 2023. Accordingly, the Board considers it appropriate to seek Independent Shareholders' approval for the Huachen Non-Exempted CCTs and the Huachen Non-Exempted Proposed Caps for each of the three financial years ending 31 December 2023.

The Group purchases raw materials and basic automotive components in its ordinary course of business to be used in the manufacturing of automotive components and for processing into core automotive components for use in automobile manufacturing. The Group will continue to purchase raw materials and automotive components from the Huachen Group where the prices offered by such companies are more favourable than other suppliers in order to control the costs of production of automobiles produced by the Group.

After processing the raw materials and the basic automotive components, the Group sells certain processed automotive components to members of the Huachen Group which, as manufacturers of automobiles or automotive components, will use the processed automotive components in their assembly process.

In addition, the Group has been purchasing from the Huachen Group certain core automotive components which are specially tailor-made for the use of RBJAC's minibuses. Such purchase facilitates the Group to have core automotive components with stable quality, and ensures the technology used in the production of such core automotive components will remain within the control of the Group. It is believed that control over such core automotive components will enable the Group to exercise more effective control over the quality of the automobiles produced by the Group.

In light of the manufacturing flow of the Group described above, the Huachen CCTs are entered into for the following reasons:

Proximity – The manufacturing facilities of the Huachen Group and the Group are both located in Shenyang, the PRC. With close proximity of the manufacturing facilities of the Group and the Huachen Group, it is more cost-effective for the Group to purchase materials and automotive components as well as certain services related to its manufacturing operation such as transportation services and sewage treatment services from the Huachen Group in terms of procurement lead time, transportation costs and infrastructural costs when compared with other suppliers. Based on the experience of the Directors in the industry, the purchases of materials and automotive components as well as certain services related to its manufacturing operation from manufacturers or service providers close to the production facilities is a key means of maintaining low cost in the PRC automotive industry.

Centralisation of purchases – Instead of having each member of the Group purchasing the materials and automotive components required for its own use, the Group centralised the purchases of materials and automotive components which are purchased in batches. This is because the need of an automotive component manufacturer to purchase materials and automotive components depends on the expected demand for automobiles in the market and also the fluctuation in prices for such materials and automotive components. Since it is difficult to predict with any degree of accuracy over a long horizon, in order to achieve efficient inventory planning and to avoid incurring unnecessary costs by ordering excess materials and automotive components, the best practice of the automobile industry advocates shorter, rather than longer supply cycles. In line with industry practice, the Group usually orders materials and automotive components in batches. Centralisation of purchases of materials and automotive parts enables the Group to enjoy better pricing for volume purchases. The Huachen Group has centralized the sourcing of steel. By purchasing steel plates from the Huachen Group in batches, Dongxing Automotive can enjoy a lower purchase price as the Huachen Group offers Dongxing Automotive a bulk purchase discount such that the price offered by Huachen is more favourable than other suppliers.

Continuous co-operation – The Group has been purchasing certain raw materials and automotive components as well as certain services related to its manufacturing operation from the Huachen Group over the years and has established a close relationship with the Huachen Group. This strong relationship not only secures a stable supply of raw materials, automotive components and services to the Group, but also ensures the quality and consistencies in the raw materials, automotive components and services purchased are maintained. As certain materials and automotive components purchased from the Huachen Group will be processed into core automotive components for selling back to the Huachen Group for use in their automobile manufacturing, purchasing raw materials and automotive components from the Huachen Group would also assures that the standard of the processed core automotive components will meet the requirements set by the Huachen Group.

Taking into account that RBJAC does not have its own stamping workshop, and the quality and delivery of press parts from the Huachen Group is stable and guaranteed, RBJAC will continue to purchase press parts from the Huachen Group.

The enterprise dealer management system, corporate electronic production tracking management system or security management system of RBJAC and Xing Yuan Dong and the application software were constructed by the Huachen Group, who has also been providing the relevant technical support since the launch of the systems and software. The Group continues to outsource the information technology support services to the Huachen Group, which enables the Group to have continual uninterrupted provision of information technology support services from the Huachen Group who is familiar with the systems and software that they themselves created, and in turn enables the Group to have quality and technology control in its production and operation.

On the other hand, certain subsidiaries of the Group are established for the manufacture of automotive components only for the use of the Group's minibuses and the Huachen Group's Zhonghua sedans. Most of the automotive components required by the Huachen Group are especially designed and processed by the Group for use in the manufacture of Zhonghua sedans. The Group purchases certain materials and automotive components from the Huachen Group, processes them into core automotive components and then sells them back to the Huachen Group for the latter's use in automobile manufacturing. Subsequent to the completion of the disposal of the Zhonghua Business to the Huachen Group in 2009, these transactions have been continuing and will be entered into between the Group and the Huachen Group. It will also provide additional source of income for the Group.

For instance, as mentioned above, Dongxing Automotive purchases steel plates from the Huachen Group at a bulk purchase discount and then processes the steel plates into appropriate press parts and welding parts, which will be sold to the Huachen Group for the latter's production of Zhonghua sedans.

Certain welding assemblies are specifically processed by Shenyang Jindong for use of certain models of Zhonghua sedans manufactured by the Huachen Group. The welding assemblies and the related matching components to be purchased by the Huachen Group are tailor-made by Shenyang Jindong and such purchase continues after the completion of the disposal of the Zhonghua Business.

As part of the production/research and development process conducted by RBJAC, steam has been generated as a side product. As the manufacturing facilities of the Huachen Group are located in close proximity to that of the RBJAC Group, steam can be easily transferred from the manufacturing facilities of the RBJAC Group to the manufacturing facilities of the Huachen Group in a stable and transportation-efficient manner that fits the future operational need of the Huachen Group. Given the Group will not have any use of the steam, the provision of steam services to the Huachen Group allows RBJAC to generate additional income.

During the production process carried out at the manufacturing facilities of the Group, waste water will be emitted. As the Huachen Group already possess the infrastructures for processing sewage water and given the manufacturing facilities of the Group and the waste water treatment facilities of the Huachen Group are located in close proximity, the sewage water generated by the Group can be easily transferred to the waste water treatment facilities of the Huachen Group for processing without the incurrence of substantial infrastructural costs.

The transactions contemplated under each of the Huachen CCT Agreements are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group according to its needs and are carried out on normal commercial terms and reasonably priced. The Board believes that the goods and services to be provided by the Huachen Group, which are tailored to the unique requirements and circumstances of the Group, would enable the Group to benefit from the expertise and experience of the Huachen Group in the automobile industry. They will have no adverse effect on the Company and will not impair the interests of the Shareholders. The pricing policy and pricing of the connected transactions are based on open, fair and impartial rates and are agreed upon the negotiation of the parties.

In the premises, all the Directors (including the independent non-executive Directors) consider that the Huachen CCTs are in the interests of the Company and the Shareholders as a whole; on normal commercial terms and in the ordinary and usual course of business of the Group; and that the terms of the Huachen CCT Agreements (including the Huachen Proposed Caps) to be fair and reasonable.

Reasons for the Renault CCTs

The Group owns a 51% effective equity interest in RBJAC, which is engaged/will engage in the manufacturing and distribution of LCV products under the Renault, JinBei and Huasong brands. All the Renault CCTs are carried out in the ordinary course of business of the Group and are expected to continue to be carried out in the three financial years ending 31 December 2023.

The Company has also been working closely with the Renault Group to formulate strategic plans for RBJAC with the aim to turn around RBJAC's existing minibus operation as well as cultivate the full potential of the LCV market in the PRC by utilising the expertise and knowhow of the two shareholders. The transactions contemplated under each of the Renault CCT Agreements will enable the RBJAC Group to leverage on the advanced technologies, product depth and management expertise of the Renault Group, in order to upraise the competitiveness of RBJAC's existing business while developing new growth with both JinBei and Renault products.

In addition to strengthening RBJAC's existing minibus operation, RBJAC has also been conducting research and development to tailor make several Renault models for the PRC market. RBJAC, with the help of Renault, has achieved positive results through research and development in the past two years and is scheduled to, subject to market condition, commence production of new range of automobiles in the coming three financial years ending 31 December 2023. RBJAC currently does not possess the know-how and technology, nor the facilities to meet the quality and technical requirements of the Renault Group. The provision of technical assistant services, information technology support services, corresponding research and development services and personnel secondment services by the Renault Group will facilitate RBJAC to meet the quality and technical requirements of the Renault Group.

In anticipation of the scheduled launch of the new range of automobiles, RBJAC will need to purchase raw materials, basic automotive components and production related items, in particular automotive components that are specially designed and exclusively offered by the Renault Group, in its ordinary course of business to be used in the manufacturing of automotive components and for processing into core automotive components for use in its automobile manufacturing.

The transactions contemplated under each of the Renault CCT Agreements are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group according to its needs and are carried out on normal commercial terms and reasonably priced. The Board believes that the goods and services to be provided by the Renault Group, which are tailored to the unique requirements and circumstances of RBJAC, would enable the Group to benefit from the expertise and experience of the Renault Group in the automobile industry. They will have no adverse effect on the Company and will not impair the interests of the Shareholders. The pricing policy and pricing of the connected transactions are based on open, fair and impartial rates and are agreed upon the negotiation of the parties.

In the premises, all the Directors (including the independent non-executive Directors) consider that the Renault CCTs are in the interests of the Company and the Shareholders as a whole; on normal commercial terms and in the ordinary and usual course of business of the Group; and that the terms of the Renault CCT Agreements (including the Renault Proposed Caps) to be fair and reasonable.

Reasons for the BEA CCTs

The Company owns 55% equity interest in BBAFC, which is engaged in the provision of auto financing service to customers and dealers in the PRC. Among others, 22.5% of the effective equity interest in BBAFC is owned by The Bank of East Asia, Limited. In addition to supporting the Company's major shareholder Huachen and RBJAC's sales of their sport utility vehicles, sedans, minibuses and MPVs, BBAFC has continued to grow its businesses with Jaguar Land Rover, Tesla and other multibrands.

Over and above these established relationships, further incremental growth was achieved through the realisation of selected 'multibrand' opportunities, as well as the addition of several leading new energy vehicle manufacturers within the Chinese market. To expand its auto finance business, BBAFC and BEA China have been providing co-lending auto financing services to independent third party automobile purchasers. Given the automobile production background of the Group and BBAFC's expertise in auto financing, BEA China has been engaging the services of BBAFC to provide finance marketing services, customer risk assessment services, vehicles licensing and mortgage registration services, post financing client management services, loan repayment collection services and any ancillary services associated with auto financing in relation to all co-lending auto financing provided by BBAFC and BEA China to independent third party automobile purchasers.

The transactions contemplated under the BEA Co-Lending Finance Management Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group according to its needs and are carried out on normal commercial terms and reasonably priced. The Board believes that not only will the provision of the co-lending finance management services provide an additional source of income to the Group, it will also enhance the relationship with BEA China and create synergy in the development of the auto financing business of BBAFC. They will have no adverse effect on the Company and will not impair the interests of the Shareholders. The pricing policy and pricing of the connected transactions are based on open, fair and impartial rates and are agreed upon the negotiation of the parties.

In the premises, all the Directors (including the independent non-executive Directors) consider that the BEA CCTs are in the interests of the Company and the Shareholders as a whole; on normal commercial terms and in the ordinary and usual course of business of the Group; and that the terms of the BEA Co-Lending Finance Management Services Agreement (including the BEA Proposed Caps) to be fair and reasonable.

IX. INFORMATION OF THE PARTIES

Information on the Group

The Group is engaged in the manufacture and sale of automobiles and automotive components through its major operating subsidiaries including RBJAC, and the provision of auto financing service to customers and dealers through its subsidiary. In addition, the Group also owns a 50% 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.

Information on Renault

The Renault Group has been making cars since 1898. Today it is an international multi-brand group, selling close to 3.8 million vehicles in 134 countries in 2019, with 40 manufacturing sites, 12,800 points of sales and after-sales and employing more than 180,000 people. To meet the major technological challenges of the future and continue its strategy of profitable growth, the Renault Group is focusing on international expansion and the complementary synergies of its five brands, Renault, Dacia, Renault Samsung Motors, Alpine and LADA, electric vehicles, and its alliance with Nissan and Mitsubishi Motors.

Information on Huachen

Huachen is a state-owned limited liability company which was established under the laws of the PRC on 16 September 2002 and is wholly beneficially owned by the Liaoning Provincial Government of the PRC. The principal activities of Huachen include but are not limited to investment holding, manufacture and sale of Zhonghua sedans, and refitting and sale of automobiles.

Information on BEA China

BEA China is a company established in the PRC and a wholly-owned subsidiary of The Bank of East Asia, Limited, a company listed on the main board of the Stock Exchange. BEA China is principally engaged in the provision of banking and financial services in the PRC.

X. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps.

As at the date of this announcement, Huachen is, through Liaoning Xinrui, interested in 1,535,074,988 Shares, representing approximately 30.43% of the entire issued share capital of the Company, and is entitled to, through Liaoning Xinrui, exercise control over the voting rights of 1,535,074,988 Shares. Huachen is considered to be interested in the Huachen CCTs between the Group and the Huachen Group, hence Huachen, Liaoning Xinrui and their respective associates will abstain from voting on the ordinary resolutions to be proposed at the Special General Meeting in respect of the Huachen Non-Exempted CCTs and the Huachen Non-Exempted Proposed Caps. As at the date of this announcement, save for Liaoning Xinrui, none of the associates of Huachen is interested in any Shares.

A circular containing, amongst other things, details of the Huachen Non-Exempted CCTs and the Huachen Non-Exempted Proposed Caps, letter from the Independent Board Committee and the letter from the Independent Financial Adviser and a notice to Shareholders convening the Special General Meeting to approve (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps, in accordance with the requirements of the Listing Rules, will be despatched to Shareholders within 15 business days from the date of this announcement.

XI. DEFINITIONS

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

“30%-controlled company”	has the meaning ascribed thereto in the Listing Rules;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“BBAFC”	Brilliance-BEA Auto Finance Co., Ltd., a sino-foreign equity joint venture established in the PRC where the effective equity interest is owned as to 55% by the Company, as to 22.5% by The Bank of East Asia, Limited and as to 22.5% by Caixabank Payments & Consumer, E.F.C., E.P., S.A.;

“BEA CCTs”	the transactions between BBAFC and BEA China as set out in the paragraph headed “The Continuing Connected Transactions with BEA China” in this announcement;
“BEA China”	The Bank of East Asia (China) Limited, a company established in the PRC and a wholly-owned subsidiary of The Bank of East Asia, Limited, a company listed on the main board of the Stock Exchange;
“BEA Co-Lending Finance Management Services Agreement”	the agreement dated 18 November 2020 entered into by and between BBAFC and BEA China in relation to the provision of co-lending finance management services by BBAFC to BEA China;
“BEA Proposed Caps”	the estimated annual monetary values of the BEA CCTs for the three financial years ending 31 December 2023;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“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 9 June 1992, whose securities are listed on the Stock Exchange;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Dongxing Automotive”	瀋陽華晨東興汽車零部件有限公司 (Shenyang Brilliance Dongxing Automotive Component Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 17 March 1999 and a wholly-owned subsidiary of the Company. The principal activities of Dongxing Automotive are the manufacture and trading of automotive components and remodelling minibuses and sedans;

“Former Huachen Premises Leasing Framework Agreement”	the framework agreement dated 6 December 2018 entered into by and between RBJAC and Huachen in relation to the lease of premises to be used for and as research and development centre and vehicle testing centre by the RBJAC Group from the Huachen Group for a period of three financial years from 1 January 2018 to 31 December 2020, details of which has been announced by the Company on 6 December 2018;
“Former Renault Framework Purchase Agreement”	the framework agreement dated 6 December 2018 entered into by and between RBJAC and Renault in relation to the purchases of automobiles, materials and automotive components by RBJAC from the Renault Group for a period of three financial years from 1 January 2018 to 31 December 2020, details of which has been announced by the Company on 6 December 2018;
“General Services Agreement”	the agreement dated 15 December 2017 entered into by and between Huachen and RBJAC in relation to the provision of general services by Huachen to RBJAC commencing from 15 December 2017 and as long as the Joint Venture Contract is in force, details of which has been announced by the Company on 20 December 2017;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 Approved Caps”	the estimated annual monetary values of the Huachen CCTs for the three financial years ending 31 December 2020 which have been approved by Independent Shareholders in general meetings or announced by the Company (as the case may be);
“Huachen CCT Agreements”	the Huachen Comprehensive Service Provision Agreement, the Huachen Comprehensive Service Receiving Agreement, the Huachen Premises Leasing Framework Agreement, the Huachen Purchase Framework Agreement and the Huachen Sale Framework Agreement;

“Huachen CCTs”	the transactions between members of the Group and the Huachen Group as set out in the paragraph headed “The Continuing Connected Transactions with Huachen” in this announcement;
“Huachen Comprehensive Service Provision Agreement”	the comprehensive services agreement dated 18 November 2020 entered into by and between the Company and Huachen in relation to the provision of services by members of the Group to members of the Huachen Group;
“Huachen Comprehensive Service Receiving Agreement”	the comprehensive services agreement dated 18 November 2020 entered into by and between the Company and Huachen in relation to the purchases of services by members of the Group from members of the Huachen Group;
“Huachen Exempted CCTs”	for the purpose of this announcement, the Huachen CCTs save for the Huachen CCTs falling under the Huachen Purchase Framework Agreement and the Huachen Sale Framework Agreement;
“Huachen Group”	Huachen, its subsidiaries and, for the purpose of this announcement, shall include its 30%-controlled companies;
“Huachen Lease Agreement”	the agreement dated 15 December 2017 entered into by and between RBJAC and Huachen in relation to the lease of certain factory facilities, workshops and office space with a total area of approximately 43,795.5 sq. m. by Huachen to RBJAC for a period of 20 years commencing from 1 December 2017, details of which has been announced by the Company on 20 December 2017;
“Huachen Non-Exempted CCTs”	for the purpose of this announcement, the Huachen CCTs falling under the Huachen Purchase Framework Agreement and the Huachen Sale Framework Agreement;
“Huachen Non-Exempted Proposed Caps”	for the purpose of this announcement, the Huachen Proposed Caps falling under the Huachen Purchase Framework Agreement and the Huachen Sale Framework Agreement;
“Huachen Premises Leasing Framework Agreement”	the agreement dated 18 November 2020 entered into by and between RBJAC and Huachen in relation to the lease of premises by the RBJAC Group from the Huachen Group;
“Huachen Proposed Caps”	the estimated annual monetary values of the Huachen CCTs for the three financial years ending 31 December 2023;

“Huachen Purchase Framework Agreement”	the agreement dated 18 November 2020 entered into by and between the Company and Huachen in relation to the purchases of materials and/or automotive components by members of the Group from members of the Huachen Group;
“Huachen Sale Framework Agreement”	the agreement dated 18 November 2020 entered into by and between the Company and Huachen in relation to the sale of automobiles, materials and/or automotive components by members of the Group to members of the Huachen Group;
“Independent Board Committee”	the independent committee of Board, comprising Mr. Xu Bingjin, Mr. Song Jian and Mr. Jiang Bo, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps;
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders as to (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps;
“Independent Shareholders”	Shareholders other than Huachen and its associates;
“Joint Venture Contract”	the equity joint venture contract dated 15 December 2017 entered into by and between Renault and Shenyang JinBei Automotive Industry Holdings Co., Ltd. (an indirect wholly-owned subsidiary of the Company), in relation to the implementation of the joint venture cooperation in respect of RBJAC, details of which has been announced by the Company on 20 December 2017;
“LCV”	light commercial vehicle;
“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;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MPV”	multi-purpose vehicle;
“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;
“RBJAC”	Renault Brilliance Jinbei Automotive Company Limited (華晨雷諾金杯汽車有限公司), a sino-foreign equity joint venture established in the PRC where the effective equity interest is owned as to 51% by the Company and as to 49% by Renault;
“RBJAC Group”	RBJAC and its subsidiaries (if any);
“Renault”	Renault SAS, a company incorporated under the laws of France;
“Renault Approved Caps”	the estimated annual monetary values of the Renault CCTs for the three financial years ending 31 December 2020 which have been announced by the Company;
“Renault CCT Agreements”	the Renault Comprehensive Services Framework Agreement and the Renault Framework Purchase Agreement;
“Renault CCTs”	the transactions between members of the RBJAC Group and the Renault Group as set out in the paragraph headed “The Continuing Connected Transactions with Renault” in this announcement;
“Renault Comprehensive Services Framework Agreement”	the comprehensive services agreement dated 18 November 2020 entered into by and between RBJAC and Renault in relation to the purchases of services by the RBJAC Group from the Renault Group;
“Renault Framework Imported Parts Supply Agreement”	the agreement dated 15 December 2017 entered into by and between Renault and RBJAC in relation to the sale of imported automotive production related components by Renault to RBJAC for as long as the Renault Framework Technology Licence Contract and the Joint Venture Contract are in force, details of which has been announced by the Company on 20 December 2017;

“Renault Framework Purchase Agreement”	the agreement dated 18 November 2020 entered into by and between RBJAC and Renault in relation to the purchases of automobiles, materials, automotive components and/or production related items by the RBJAC Group from the Renault Group;
“Renault Framework Technology Licence Contract”	the contract dated 15 December 2017 entered into by and between Renault and RBJAC in relation to the licensing by Renault to RBJAC of certain technology owned by Renault to manufacture, assemble, sell and provide after sales services for licensed products for a period of 10 years, details of which has been announced by the Company on 20 December 2017;
“Renault Group”	Renault, its subsidiaries and, for the purpose of this announcement, shall include its 30%-controlled companies;
“Renault Proposed Caps”	the estimated annual monetary values of the Renault CCTs for the three financial years ending 31 December 2023;
“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;
“Shenyang Jindong”	瀋陽華晨金東實業發展有限公司 (Shenyang Brilliance Jindong Development Co., Ltd.*), an equity joint venture established in the PRC on 18 April 2002 and a wholly-owned subsidiary of the Company since 1 November 2017. The principal activity of Shenyang Jindong is the trading of automotive components;
“Special General Meeting”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving (i) the Huachen Non-Exempted CCTs; and (ii) the Huachen Non-Exempted Proposed Caps;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance;
“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 wholly foreign owned enterprise established in the PRC on 12 October 1998 and a wholly-owned subsidiary of the Company. The principal activities of Xing Yuan Dong are the manufacture and trading of automotive components in the PRC;
“Zhonghua Business”	the business of manufacture and sale of Zhonghua sedans operated by the Huachen Group; 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, 18 November 2020

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 three independent non-executive Directors, Mr. Xu Bingjin, Mr. Song Jian and Mr. Jiang Bo.

* For identification purposes only