

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Brilliance Auto

华 晨 汽 车

BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED

(華 晨 中 國 汽 車 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1114)

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of Brilliance China Automotive Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 November 2020 (the “**Announcement**”) in relation to certain continuing connected transactions with the Huachen Group, the Renault Group and BEA China. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Company would like to provide the Shareholders and potential investors of the Company with further information as follows:

FURTHER INFORMATION IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS WITH RENAULT

Due to a change in the production schedule for the proposed launch of new models of Renault Master and Trafic by RBJAC from the financial year ended 31 December 2019 and financial year ending 31 December 2020 to the three financial year ending 31 December 2023, the RBJAC Group did not make any purchases of automobiles, materials and automotive components from the Renault Group during the financial year ended 31 December 2019 and the six months ended 30 June 2020. In anticipation of the introduction of these new models and also the potential EV products to the market, the demand for materials and automotive components from the Renault Group is expected to increase significantly and hence the amount of purchases of automobiles, materials and automotive components from the Renault Group will correspondingly increase in the forthcoming three financial years ending 31 December 2023.

* For identification purposes only

FURTHER INFORMATION IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS WITH BEA CHINA

Since 2018, BBAFC has been participating in co-lending with BEA China whereby BBAFC and BEA China will jointly provide financing to independent third party automobile purchasers at a pre-agreed proportion. This is a common practice between banks and auto finance companies in China as a joint business model. In the past two years, as the co-lending relationship was still in its early stages and the parties have agreed to adopt a progressive approach to the development of the joint business model, the number of co-lending transactions with BEA China has been limited. In view of the positive performance of the existing co-lending transactions and the recent rapid recovery of the local China motor vehicle industry, coupled with the new models line-up of BBAFC's key OEM co-operation partners and the expected increase in the prices of these new models, it is anticipated that the demand for auto financing from BBAFC through a co-lending model will correspondingly increase during the three financial years ending 31 December 2023. Furthermore, the scope of the co-lending with BEA China is expected to be expanded from only offering to selective premium brands to all brands of motor vehicles commencing from 2021, hence the volume of co-lending offered by BBAFC and BEA China will be significantly increased. These anticipated increments in co-lending transactions will correspondingly increase the amount of services provided by BBAFC to BEA China under the BEA Co-Lending Finance Management Services Agreement.

INTERNAL CONTROL MEASURES

The Company has established the following internal control measures to ensure that the transactions entered into under the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement will be conducted in accordance with the pricing policies of the Group and the respective terms of such agreements are on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms shall not be less favourable than the terms which can be obtained from an independent third party for the provision/purchase of similar goods or services so far as the Company is concerned. Such internal control measures mainly include the following:

- a) the final pricing and other major terms of the Huachen CCTs, Renault CCTs and BEA CCTs are required to be approved by the senior management of the various departments involved such as the department head, chief financial officer and/or the general manager of the relevant members of the Group as the final check and balance measures to ensure the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;
- b) the managers of the relevant members of the Group will review the terms of the transactions undertaken pursuant to the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement on a regular basis to ensure the prices for the goods and services to be purchased or provided thereunder will reflect the pricing policies of the Group and will be on arm's length basis under normal commercial terms;

- c) the finance department of the Company will review, on a monthly basis, the transaction amount under each of the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement and submit such information for the management's review, including but not limited to the historical transaction amount, to ensure that the relevant transactions are carried out in accordance with the terms of the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement and will not exceed the respective annual caps; and
- d) the auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement in accordance with the Listing Rules.

By implementing the above procedures and measures, the Directors consider that the Company has established an adequate internal control system to ensure the relevant continuing connected transactions under the Huachen CCT Agreements, the Renault CCT Agreements and the BEA Co-Lending Finance Management Services Agreement will be conducted in accordance with the terms of such agreements, on normal commercial terms (or terms no less favourable than the terms which can be obtained from an independent third party for the provision/purchase of similar goods or services) and in accordance with the pricing policies of the Group, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Information on Renault

Renault is a company organised under the laws of France and a wholly owned subsidiary of Renault SA, the shares of which are listed on Euronext Paris Stock Exchange. As at the date of this announcement, Renault SA is owned as to approximately 15.01% by the French State and 15% by Nissan Motor Co. Ltd.

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

Hong Kong, 26 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.