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Brilliance Auto

华 晨 汽 车

BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED

(華 晨 中 國 汽 車 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1114)

**USE OF PROCEEDS FROM THE DISPOSAL OF
25% EQUITY INTEREST IN BMW BRILLIANCE AUTOMOTIVE LTD.;
NOTIFICATION OF BOARD MEETING;
AND
FURTHER ENHANCEMENT OF INTERNAL CONTROL MEASURE**

**USE OF PROCEEDS FROM THE DISPOSAL OF 25% EQUITY INTEREST IN BMW
BRILLIANCE AUTOMOTIVE LTD.**

References are made to the announcements of Brilliance China Automotive Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11th October, 2018, 1st November, 2018, 11th February, 2022 and 22nd August, 2022 and the circular to the shareholders of the Company (the “**Shareholders**”) dated 31st December, 2018 relating to the disposal of 25% equity interest in BMW Brilliance Automotive Ltd. (the “**Disposal**”).

Since completion of the Disposal, the net proceeds from the Disposal (the “**Net Proceeds**”) have been deposited in various bank accounts opened in the name of Shenyang JinBei Automotive Industry Holdings Co., Ltd. 瀋陽金杯汽車工業控股有限公司 (“**SJAI**”), an indirect wholly-owned subsidiary of the Company. As stated in the announcements dated 11th February, 2022 and 22nd August, 2022, the Company has been considering various options to create value for Shareholders with the Net Proceeds, and at the same time has been consulting the governmental authorities in Shenyang, PRC in relation to the related administrative procedures for remitting funds to Hong Kong.

After considering the administrative procedures and time required for remitting funds from SJAI to Hong Kong, the board (the “**Board**”) of directors (the “**Directors**”) of the Company concluded that a special dividend will be paid out of the Net Proceeds, details of the Board meeting for discussing such declaration is set out in the section headed “Notification of Board Meeting” below. In addition, the Board will consider by no later than 31st March, 2023 whether a further special dividend will be declared out of the remaining balance of the Net Proceeds.

* For identification purposes only

The Board also wishes to inform Shareholders that since the resumption of trading of the shares of the Company on 5th October, 2022, the Company has focused on evaluating the various options on the application of the Net Proceeds, undertaking feasibility studies of the options and understanding the compliance procedures with respect to each option, in particular, the administrative procedures for remitting funds by SJAI to Hong Kong and the time required for completing such procedures. The process has taken longer than usual as communications with the governmental authorities have been hindered by the locked down of Shenyang earlier this year and the limited services of various governmental authorities due to shortage of manpower as a result of the travel restrictions within Shenyang.

In the course of the communications with the governmental authorities in Shenyang, the authorities mentioned various investment opportunities in Shenyang. The Company has not made any decision regarding such investment opportunities nor undertaken any feasibility study of such investment opportunities.

NOTIFICATION OF BOARD MEETING

A meeting of the Board will be held at Suites 1602-05, Chater House, 8 Connaught Road Central, Hong Kong on Friday, 13th January, 2023 at 10:00 a.m. for the purposes of, among other things, considering and formally approving the declaration and payment of the special dividend and set the timetable for payment.

FURTHER ENHANCEMENT OF INTERNAL CONTROL MEASURE

Since the receipt of the proceeds from the Disposal, the cash has been placed with bank accounts opened in the name of SJAI and periodic reports about the deposits have been made to the Board.

To further enhance the internal control for use of cash by SJAI, other than those allocated for normal operation, in addition to the internal control measures already in place, the Board adopted a further measure by requiring the prior written approval of the Board (except for connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which are subject to separate review and approval) in relation to, (a) opening of bank account(s); and (b)(i) fund transfers, (b)(ii) deposit pledges, (b)(iii) provision of loans/guarantees, (b)(iv) investments, and (b)(v) expenditures, by SJAI, and for each transaction falling within any of the aforementioned category(b), for an amount of RMB10 million or more.

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

Hong Kong, 30th December, 2022

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