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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)**

## **CONNECTED TRANSACTION IN RELATION TO PURCHASE OF ASSETS**

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Reference is made to the Announcement in relation to the proposed purchase of the Assets through public tender at the SAEE. As at the date of this announcement, the process of the public tender at the SAEE has been completed. The Purchaser was the successful bidder of the Assets at the Base Price.

On 28th April, 2025, the Purchaser entered into the Assets Transfer Agreement with Huachen, a wholly owned subsidiary of the Seller, pursuant to which the Purchaser agreed to purchase, and Huachen agreed to sell or procure its subsidiaries to sell, the Assets, at a consideration of RMB54,405,050 (tax inclusive), being the Base Price.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Seller, through its subsidiaries, is interested in approximately 29.99% of the issued share capital of the Company. Accordingly, the Seller is a connected person of the Company under the Listing Rules and the Purchase constitutes a connected transaction under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Purchase under the Assets Transfer Agreement is more than 0.1% but less than 5%, the Assets Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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### The Assets Transfer Agreement

The principal terms of the Assets Transfer Agreement are set out as follows:

Date	:	28th April, 2025
Parties	:	(i) The Purchaser (ii) Huachen
Subject	:	The Assets
Consideration and basis of consideration	:	The aggregate consideration payable by the Purchaser will be RMB54,405,050 (tax inclusive), being the Base Price.

The consideration was determined with reference to 100% of the valuation of the Assets by an independent valuer as at 31st July, 2024 based on the cost valuation approach.

Terms of payment	:	The Deposit, being an amount of RMB54,405,050, was paid to the SAEE on 14th April, 2025. The Deposit constitutes full payment of the consideration under the Assets Transfer Agreement.
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The transaction service fee in the amount of RMB482,000, shall be payable by the Purchaser to the SAEE at its designated account within five business days from the date of the Assets Transfer Agreement, after which a property transaction certificate will be issued by the SAEE and the total consideration will be paid to an account designated by the Seller.

The consideration is funded by the internal resources of the Group.

- Effective date : The Assets Transfer Agreement became effective on the date of execution or affication of the seal by the Purchaser and Huachen.
- Completion : The Assets Transfer Agreement and the rules of the SAEЕ provide that the completion of the transfer of the Assets shall take place after the property transaction certificate is issued by the SAEЕ upon full payment of the consideration and the transaction service fee.

### **Reasons for and benefits of entering into the Assets Transfer Agreement**

Prior to the Restructuring, the Purchaser was principally engaged in the manufacture and sale of automobiles and automotive components and had been utilising the stamping workshops and research and development equipment provided by Huachen for its production of automobiles and development of new automobile models. As a result of the Restructuring, the business operation of the Purchaser had been suspended since January 2022.

Following completion of the Restructuring at end of May 2024, the Purchaser is progressively recommencing its business of manufacture and sale of automobiles and automotive components. The Purchase forms a part of the capital investment which will enhance the production capability and capacity of the Purchaser and will enable the Purchaser to meet the growing demand for its automobiles. As the Assets have already been installed and are located in the close proximity of the factory of the Purchaser, the Purchase would facilitate the Purchaser's recommencement of its manufacture of automobiles and would reduce the time and costs associated with assembling and installation of stamping and research and development equipment.

The terms of the Assets Transfer Agreement, including the consideration, are determined pursuant to the results of the public tender, the rules of the SAEЕ and after arm's length negotiations between the parties with reference to normal commercial terms applicable. The Directors (including independent non-executive Directors) are of the view that the Assets Transfer Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of the Company's business on normal commercial terms and the terms set out therein are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Seller, through its subsidiaries, is interested in approximately 29.99% of the issued share capital of the Company. Accordingly, the Seller is a connected person of the Company under the Listing Rules and the Purchase constitutes a connected transaction under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Purchase under the Assets Transfer Agreement is more than 0.1% but less than 5%, the Assets Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE PARTIES**

### **Information of the Group**

The Group is engaged in the manufacture and sale of automobiles and automotive components and provision of auto financing service through its major operating subsidiaries. In addition, the Group also owns a 25% equity interest in BMW Brilliance Automotive Ltd. which is engaged in the manufacture and sale of BMW vehicles and components in the PRC. The Purchaser was reconsolidated into the Group since 31st May, 2024 and is principally engaged in the manufacture and sale of automobiles and automotive components.

### **Information of the Seller**

The Seller is a company established in the PRC and is 89.75% owned by Shenyang Cairui Automobile Industry Development Partnership Enterprise (Limited Partnership)\* (瀋陽財瑞汽車產業發展合夥企業(有限合夥)), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenyang Municipal Government (瀋陽市人民政府國有資產監督管理委員會) and the Liaoning Provincial Department of Finance (遼寧省財政廳). The principal business activities of the Seller and its subsidiaries include but are not limited to investment holding and the manufacture, refitting and sale of automobiles and automotive components.

## **INTERESTS OF DIRECTORS**

Mr. Zhang Yue (chairman of the Board and chief executive officer of the Company) is the legal representative and chairman of the Seller. Mr. Zhang Yue has abstained from voting on the Board resolutions for considering and approving the Assets Transfer Agreement and the transactions contemplated thereunder.

Save as disclosed above, there are no Directors who have any material interest in the Assets Transfer Agreement and the transactions contemplated thereunder and no other Directors need to abstain from voting on the Board resolutions for considering and approving the Assets Transfer Agreement and the transactions contemplated thereunder.

## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 14th April, 2025 in relation to the proposed purchase of the Assets through public tender at SAEE;
“Assets”	136 units of machinery equipment including stamping equipment and research and development equipment;
“Assets Transfer Agreement”	the assets transfer agreement dated 28th April, 2025 entered into between the Purchaser and Huachen in respect of the Purchase;
“Base Price”	the base price of the proposed purchase of the Assets, being RMB54,405,050, as disclosed in the Announcement;
“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 9th June, 1992, whose securities are listed on the main board of the Stock Exchange;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Deposit”	RMB54,405,050, being the deposit paid by the Purchaser to the SAEE in relation to the proposed purchase of the Assets;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huachen”	Huachen Automotive Group Holdings Company Limited* (華晨汽車集團控股有限公司), a substantial shareholder of the Company which as at the date of this announcement is, through Shenyang Sanshi Automotive Industry Development Co., Ltd.* (瀋陽三實汽車產業發展有限公司), interested in approximately 29.99% of the issued share capital of the Company and is a wholly owned subsidiary of the Seller;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“Purchase”	the purchase of the Assets by the Purchaser through public tender at the SAEE;
“Purchaser”	Jinbei (Shenyang) Automotive Co., Ltd. (formerly known as Renault Brilliance Jinbei Automotive Company Limited), a company owned as to 80.72% by the Group, 18.64% by Renault SAS, 0.29% by 瀋陽斯瓦特汽車零部件有限公司, 0.14% by 遼寧撫叉工業車輛有限公司, 0.07% by 承德華遠自動化設備有限公司, 0.06% by 北京潤霖汽車科技有限公司, 0.04% by 北京健力源餐飲管理有限公司 and 0.04% by 長春力拓輸送機械有限公司 as at the date of this announcement;
“Restructuring”	the restructuring of, among others, the indebtedness and shareholding structure of Renault Brilliance Jinbei Automotive Company Limited pursuant to the formal restructuring plan as approved by the Shenyang Intermediate People’s Court on 23rd May, 2023 (for further details, please refer to the announcements of the Company dated 30th December, 2021, 12th January, 2022, 24th May, 2022 and 25th May, 2023);
“RMB”	Renminbi, the lawful currency of the PRC;
“SAEE”	Liaoning Shenyang United Assets And Equity Exchange (遼寧瀋陽聯合產權交易所);
“Seller”	瀋陽汽車有限公司 (Shenyang Automobile Co., Ltd.*), the holding company of Huachen and a substantial shareholder of the Company which as at the date of this announcement is, through Huachen and Shenyang Sanshi Automotive Industry Development Co., Ltd., interested in approximately 29.99% of the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Shares”	shares at par value of US\$0.01 each in the share capital of the Company;
“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; and
“%”	per cent.

By order of the Board  
**Brilliance China Automotive Holdings Limited**  
**Zhang Yue**  
*Chairman and Chief Executive Officer*

Hong Kong, 28th April, 2025

*As at the date of this announcement, the Board comprises three executive Directors, Mr. Zhang Yue (Chairman and Chief Executive Officer), Mr. Zhang Wei and Mr. Guo Hongbo; and four independent non-executive Directors, Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia.*

\* *For identification purposes only*