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Brilliance Auto

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BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED

(華晨中國汽車控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1114)

**CONNECTED TRANSACTION
PROVISION OF CROSS GUARANTEE TO/BY CONNECTED PERSON**

On 17th December, 2013, the Cross Guarantee Agreement was entered into between Xing Yuan Dong and JinBei, pursuant to which Xing Yuan Dong and the JinBei Group will provide cross guarantees to each other's banking facilities in the maximum amount of RMB600 million for a period of one year commencing from 1st January, 2014 to 31st December, 2014. No fee is or will be payable or charged and no securities is or will be taken or provided in relation to the provision of the Cross Guarantee. In the event the Cross Guarantee is to be extended for more than one year, the Company will comply with all the relevant requirements under the Listing Rules.

As at the date of this announcement, JinBei is interested in 39.1% of the equity interests in Shenyang Automotive, which is in turn owned as to 60.9% by the Company. Accordingly, JinBei is a substantial shareholder of a subsidiary of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Xing Yuan Dong is a wholly-owned subsidiary of the Company. The Cross Guarantee, therefore, constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules is less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the Cross Guarantee is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Cross Guarantee is not a notifiable transaction under Chapter 14 of the Listing Rules as each of the applicable percentage ratios under Rule 14.07 of the Listing Rules is less than 5%.

* for identification purposes only

THE CROSS GUARANTEE

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REQUIREMENTS OF THE LISTING RULES

As at the date of this announcement, JinBei is interested in 39.1% of the equity interests in Shenyang Automotive, which is in turn owned as to 60.9% by the Company. Accordingly, JinBei is a substantial shareholder of a subsidiary of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Xing Yuan Dong is a wholly-owned subsidiary of the Company. The Cross Guarantee, therefore, constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules is less than 5%, pursuant to Rule 14A.66(2) of the Listing Rules, the Cross Guarantee is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Cross Guarantee is less than 5%, the Cross Guarantee is not a notifiable transaction under Chapter 14 of the Listing Rules. Mr. Qi Yumin, Mr. Wang Shiping, Mr. Tan Chengxu and Mr. Lei Xiaoyang are directors of JinBei. Due to common directorships, the said Directors have abstained from voting on the resolution approving the Cross Guarantee. Save as aforesaid, no Director has a material interest in the provision of the Cross Guarantee.

REASONS FOR THE CROSS GUARANTEE

The Group is engaged in the manufacture and sale of minibuses and automotive components. The Group also has a 50% equity interest in BMW Brilliance Automotive Ltd., a joint venture with BMW Group, which is engaged in the manufacture and sale of BMW vehicles in the PRC.

It is a common practice for banks in the PRC to request for either guarantee or securities to secure banking facilities granted to borrowers.

Xing Yuan Dong is one of the subsidiaries of the Group engaging in the manufacture of automotive components. Xing Yuan Dong's banking facilities secured or to be secured by the guarantees provided by JinBei will be utilized by Xing Yuan Dong to improve its production facilities in order to support the scheduled launch of new models of automobiles.

JinBei is a company listed on the Shanghai Stock Exchange and the JinBei Group is principally engaged in the manufacture and sale of light trucks and automotive components. JinBei's banking facilities will be utilized by the JinBei Group as working capital to improve the quality of the automotive components currently produced by the JinBei Group and the expansion of its product range and production facilities. Since the JinBei Group is one of the suppliers of the Group, the Directors believe that the Group will be able to benefit from the improved quality of the automotive components manufactured by the JinBei Group and with the anticipated launch of the new models of minibuses, the Group will also be able to benefit from the improvement in production facilities and increase in product range of the JinBei Group.

In the premises, the Directors (including the independent non-executive Directors) consider the provision of the Cross Guarantee to and from a connected person of the Company to be in the interest of the Group and that the terms of the Cross Guarantee Agreement to be fair and reasonable and in the interests of the Company and Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 32 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, whose securities are listed on the Stock Exchange;
“connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Cross Guarantee”	the cross guarantee arrangement between Xing Yuan Dong and JinBei pursuant to the Cross Guarantee Agreement;
“Cross Guarantee Agreement”	the agreement dated 17th December, 2013 entered into between Xing Yuan Dong and JinBei in relation to the Cross Guarantee;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JinBei”	金杯汽車股份有限公司 (Shenyang JinBei Automotive Company Limited*), a company incorporated in the PRC on 14th May, 1984 whose shares are listed on the Shanghai Stock Exchange and holder of 39.1% equity interests in Shenyang Automotive;

“JinBei Group”	JinBei and its subsidiaries and, for the purpose of this announcement, shall include its associated companies but exclude Shenyang Automotive;
“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;
“RMB”	renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Share(s);
“Shares”	shares at par value of US\$0.01 each in the share capital of the Company;
“Shenyang Automotive”	瀋陽華晨金杯汽車有限公司 (Shenyang Brilliance JinBei Automobile Co., Ltd.*), a sino-foreign equity joint venture established in the PRC on 19th July, 1991 and a subsidiary of the Company whose effective equity interests are owned as to 60.9% by the Company and as to 39.1% by JinBei. The principal activities of Shenyang Automotive are the manufacture, assembly and sale of minibuses and automotive components in the PRC;
“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
“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 12th 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.

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. Qi Yumin (Chief Executive Officer), Mr. Wang Shiping and Mr. Tan Chengxu; one non-executive director, Mr. Lei Xiaoyang; and three independent non-executive directors, Mr. Xu Bingjin, Mr. Song Jian and Mr. Jiang Bo.

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

Hong Kong, 17th December, 2013