

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about any aspect of this circular or as to the action to be taken, you should consult appropriate independent advisers to obtain independent professional advice.

If you have sold or transferred all your securities in Brilliance China Automotive Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser, transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**CONNECTED AND DISCLOSEABLE TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE TO/BY CONNECTED PERSON
NOTICE OF SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



博大資本國際有限公司

Partners Capital International Limited

A letter from the board of directors of Brilliance China Automotive Holdings Limited is set out on pages 4 to 7 of this circular. A letter from the independent board committee of Brilliance China Automotive Holdings Limited is set out on page 8 of this circular.

A letter from Partners Capital International Limited, the independent financial adviser to the independent board committee and the independent shareholders of Brilliance China Automotive Holdings Limited, is set out on pages 9 to 13 of this circular.

A notice convening a special general meeting of Brilliance China Automotive Holdings Limited to be held at Chater Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Friday, 17th December, 2010 at 9:00 a.m. is set out on pages 19 to 20 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the branch share registrar of Brilliance China Automotive Holdings Limited in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting (as the case may be) should you so wish.

* for identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	4
The Second Cross Guarantee	5
Information on the Group	5
Information on Huachen	5
Reasons for the Second Cross Guarantee	5
Listing Rules Implications	6
General	6
Special General Meeting	6
Recommendations	7
Additional Information	7
Letter from the Independent Board Committee	8
Letter from Partners Capital	9
Appendix – General Information	14
Notice of Special General Meeting	19

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2009 SGM”	the special general meeting of the Company held on 17th December, 2009 to approve, inter alia, the financial assistance to/by connected person for a period of one year commencing from 1st January, 2010 to 31st December, 2010;
“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 person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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 Latest Practicable Date is interested in approximately 45.26% of the issued share capital of the Company;
“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 the Second Cross Guarantee;
“Independent Financial Adviser/Partners Capital”	Partners Capital International Limited, the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Second Cross Guarantee;
“Independent Shareholders”	Shareholders other than Huachen and its associates;

* for identification purposes only

DEFINITIONS

“Latest Practicable Date”	26th November, 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“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 circular shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	renminbi, the lawful currency of the PRC;
“Second Cross Guarantee”	the cross guarantee arrangement between Xing Yuan Dong and Huachen pursuant to the Second Cross Guarantee Agreement;
“Second Cross Guarantee Agreement”	the agreement dated 10th November, 2010 entered into between Xing Yuan Dong and Huachen (and its subsidiaries) in relation to the Second Cross Guarantee;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Shares;
“Shares”	shares at par value of US\$0.01 each in the share capital of the Company;
“Special General Meeting”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Second Cross Guarantee Agreement;
“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 12th October, 1998 and a wholly-owned subsidiary of the Company. The principal activities of Xing Yuan Dong are manufacture and trading of automotive components in the PRC; and

DEFINITIONS

“Zhonghua Business” certain assets, liabilities, employees and business contracts in relation to the businesses of manufacture and sale of Zhonghua sedans operated by Huachen.

*Certain English translations of Chinese names or words marked with * in this circular are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

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)

Executive Directors:

Mr. Wu Xiao An

(also known as Mr. Ng Siu On) (*Chairman*)

Mr. Qi Yumin (*Chief Executive Officer*)

Mr. He Guohua

Mr. Wang Shiping

Mr. Tan Chengxu

Non-executive Director:

Mr. Lei Xiaoyang

Independent Non-executive Directors:

Mr. Xu Bingjin

Mr. Song Jian

Mr. Jiang Bo

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Head office and

principal place of business:

Suites 1602-05

Chater House

8 Connaught Road Central

Hong Kong

1st December, 2010

To the Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE TO/BY CONNECTED PERSON
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 10th November, 2010, the Board announced that, inter alia, the Second Cross Guarantee Agreement was entered into between Xing Yuan Dong, a wholly-owned subsidiary of the Company, and Huachen (and its subsidiaries).

The purpose of this circular is to provide you with further information of the Second Cross Guarantee; the recommendation of the Independent Board Committee in relation to the Second Cross Guarantee; the advice of Partners Capital to the Independent Board Committee and the Independent Shareholders in relation to the Second Cross Guarantee; and a notice to convene the Special General Meeting to consider and, if thought fit, pass the necessary resolution to approve the Second Cross Guarantee.

* *for identification purposes only*

LETTER FROM THE BOARD

THE SECOND CROSS GUARANTEE

On 10th November, 2010, the Second Cross Guarantee Agreement was entered into between Xing Yuan Dong, a wholly-owned subsidiary of the Company, and Huachen (and its subsidiaries).

Pursuant to the Second Cross Guarantee Agreement, Xing Yuan Dong and Huachen will cross guarantee each other's banking facilities in the maximum amount of RMB1,500 million incurred or to be incurred during their respective usual course of business for a period of one year commencing from 1st January, 2011 to 31st December, 2011. 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 Second Cross Guarantee. In the event the Second Cross Guarantee is to be extended for more than one year, the Company will comply with all the relevant requirements under the Listing Rules.

INFORMATION ON THE GROUP

The Group is engaged in the manufacture and sale of minibuses and automotive components.

INFORMATION ON HUACHEN

Huachen is a state-owned limited liability company which was established under the laws of the PRC on 16th September, 2002 and is wholly beneficially owned by the Liaoning Provincial Government of the PRC. The principal activity of Huachen is investment holding and manufacture and sale of Zhonghua sedans. As at the Latest Practicable Date, Huachen is interested in 2,260,074,988 Shares (representing approximately 45.26% of the entire issued share capital of the Company) and is a connected person of the Company under Chapter 14A of the Listing Rules.

REASONS FOR THE SECOND CROSS GUARANTEE

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 manufacture of automotive components. Xing Yuan Dong's banking facilities secured by the guarantees provided by, among others, Huachen will be utilized by Xing Yuan Dong to improve its production facilities in order to support the future launch of any new models of automobiles.

Huachen took over the Zhonghua Business since 31st December, 2009. Huachen's banking facilities secured or to be secured by the guarantees provided by Xing Yuan Dong will be utilized by Huachen to finance the Zhonghua Business.

At the 2009 SGM, the Independent Shareholders have approved the provision of cross guarantees in respect of banking facilities in the maximum amount of RMB1,500 million between Xing Yuan Dong and Huachen for the period from the date of completion of the transfer of Zhonghua Business up to 31st December, 2010. As the agreement for provision of cross guarantees will expire by 31st December, 2010 and for reasons set out above, the parties intend to extend the agreement for another financial year to until 31st December, 2011.

LETTER FROM THE BOARD

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

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Huachen is interested in 2,260,074,988 Shares (representing approximately 45.26% of the entire issued share capital of the Company) and is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Second Cross Guarantee constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios (other than the profits ratio) is more than 5% but less than 25% and the guarantee amounts to more than HK\$10,000,000, the Second Cross Guarantee is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Second Cross Guarantee are more than 5% but less than 25%, it also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. No Directors has a material interest in the provision of the Second Cross Guarantee.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to the Second Cross Guarantee Agreement.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Second Cross Guarantee Agreement.

As at the Latest Practicable Date, Huachen is interested in 2,260,074,988 Shares, representing approximately 45.26% of the entire issued share capital of the Company, and is entitled to exercise control over the voting rights of 2,260,074,988 Shares. None of the associates of Huachen is interested in any Shares. Huachen is considered to be interested in the Second Cross Guarantee Agreement. Huachen and its associates will abstain from voting on the ordinary resolution to be proposed at the Special General Meeting in respect of the Second Cross Guarantee Agreement.

SPECIAL GENERAL MEETING

A notice convening the Special General Meeting at which resolution will be proposed to consider and, if thought fit, approve the Second Cross Guarantee to be held at Chater Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Friday, 17th December, 2010 at 9:00 a.m., is set out on pages 19 to 20 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned

LETTER FROM THE BOARD

meeting (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

In accordance with the requirements of the Listing Rules, the resolution to be put forward at the Special General Meeting will be voted on by the Independent Shareholders by way of poll.

RECOMMENDATIONS

The text of a letter to the Independent Shareholders from the Independent Board Committee containing its recommendation in relation to the Second Cross Guarantee is set out on page 8 of this circular. Having considered the advice from Partners Capital in relation to the Second Cross Guarantee, which is set out on pages 9 to 13 of this circular, the Independent Board Committee is of the opinion that the terms of the Second Cross Guarantee are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Special General Meeting.

The Board believes that the terms of the Second Cross Guarantee are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the Special General Meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendix to this circular.

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

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)

1st December, 2010

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION –
PROVISION OF FINANCIAL ASSISTANCE TO/BY CONNECTED PERSON**

We refer to the document dated 1st December, 2010 issued by the Company (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall bear the same meanings when used herein unless the context requires otherwise.

We have been appointed by the Board as the Independent Board Committee to advise you in connection with the Second Cross Guarantee and to advise you as to whether, in our opinion, the terms of the Second Cross Guarantee are fair and reasonable so far as the Independent Shareholders are concerned. Details of the Second Cross Guarantee are set out in the letter from the Board contained in the Circular. Partners Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Second Cross Guarantee. Details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the letter from Partners Capital contained in the Circular.

Having considered the terms of the Second Cross Guarantee, taking into account the information contained in the Circular and the advice of Partners Capital, we are of the opinion that the terms of the Second Cross Guarantee are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be put forward at the Special General Meeting to approve the Second Cross Guarantee.

Yours faithfully,

Xu Bingjin

Song Jian

Jiang Bo

Independent Non-executive Directors

* *for identification purposes only*

LETTER FROM PARTNERS CAPITAL

The following is the text of a letter received from Partners Capital setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Second Cross Guarantee for inclusion in this circular.



博大資本國際有限公司
Partners Capital International Limited

Partners Capital International Limited
Unit 3906, 39/F, COSCO Tower
183 Queen's Road Central
Hong Kong

1st December, 2010

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED AND DISCLOSEABLE TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE TO/BY CONNECTED PERSON

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Second Cross Guarantee, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) of this circular to the Shareholders dated 1st December, 2010 (the “**Circular**”) and in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

On 10th November, 2010, Xing Yuan Dong and Huachen (and its subsidiaries) entered into the Second Cross Guarantee Agreement, pursuant to which Xing Yuan Dong and Huachen will provide cross guarantees to each other's banking facilities in the maximum amount of RMB1,500 million for a period of one year commencing from 1st January, 2011 to 31st December, 2011.

As at the Latest Practicable Date, Huachen was interested in approximately 45.26% of the issued share capital of the Company and a connected person of the Company. Accordingly, the Second Cross Guarantee constitutes a connected transaction under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios (other than the profits ratio) is more than 5% but less than 25% and the guarantee amounts to more than HK\$10,000,000, the Second Cross Guarantee is subject to reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. In this regard, Partners Capital has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Second Cross Guarantee. The Second Cross Guarantee is subject to approval by Independent Shareholders at the Special General Meeting taken by way of a poll under Rule 14A.63 of the Listing Rules. Huachen and its associates will abstain from voting on the resolution with respect to the Second Cross Guarantee at the Special General Meeting.

LETTER FROM PARTNERS CAPITAL

Partners Capital is not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates and is independent pursuant to Rule 13.84 of the Listing Rules and is therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart from normal professional fees payable to Partners Capital in connection with this appointment, no arrangement exists whereby Partners Capital will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Group and the respective terms and conditions of the Second Cross Guarantee, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, the Company, Huachen and their respective associates nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Second Cross Guarantee, we have considered the following principal factors and reasons:

1. Background of and reasons for the Second Cross Guarantee

At the 2009 SGM, the Shareholders have approved the provision of cross guarantees in respect of banking facilities in the maximum amount of RMB1,500 million entered into between Xing Yuan Dong and Huachen for the period from the date of completion of the transfer of Zhonghua Business up to 31st December, 2010. As the agreement for provision of cross guarantees will expire by 31st December, 2010 and for reasons set out below, the parties intend to extend the agreement for another financial year to until 31st December, 2011.

As set out in the Letter from the Board, it is a common practice for banks in the PRC to request for either a guarantee or securities from a third party to secure banking facilities granted to borrowers. Huachen is a state-owned limited liability company which was established under the laws of the PRC on 16th September, 2002 and is wholly beneficially owned by the Liaoning Provincial Government of the PRC. The principal activity of Huachen is investment holding and manufacture and sale of Zhonghua sedans. Huachen arranges banking facilities to finance the Zhonghua Business. In view that Huachen is one of

LETTER FROM PARTNERS CAPITAL

the suppliers of the Group, the Directors believe that the Group will be able to benefit from the smooth operation of Zhonghua Business by Huachen after obtaining the relevant banking facilities. Meanwhile, Xing Yuan Dong is one of the subsidiaries of the Group engaged in the manufacturing of automotive components and is one of the suppliers of Huachen. The Directors believe that Xing Yuan Dong would be benefited from stable and continuous sales of component parts to Huachen if Huachen obtains the relevant banking facilities for its continuous operation of Zhonghua Business. Xing Yuan Dong's banking facilities secured by the guarantees provided by Huachen would be utilized by Xing Yuan Dong to improve its production facilities in order to support the future launch of any new models of automobiles.

According to the interim report of the Company for the six months ended 30th June, 2010, Shenyang Brilliance JinBei Automobile Co., Ltd. ("**Shenyang Automotive**"), a subsidiary of the Company, sold 48,688 minibuses in the first half of 2010, representing an increase of 35.7% over the 35,873 minibuses sold during the corresponding period of last year. With its established track record and strong brand recognition, the Company expects the minibus business to continue as a stable profit contributor to the Group. The Group continues to work on improving product quality while at the same time develop new product variations and new models based on its existing platforms. Its goal is to increase sales and market share, and reduce costs via further streamlining of its minibus operation. Furthermore, the Group will continue to evaluate its operational and strategic alternatives for the minibus business, primarily through teaming up with existing and global strategic partners to strengthen its research and development and product development capabilities, so as to maintain its competitiveness and market leading position in this market segment. Xing Yuan Dong is one of the subsidiaries of the Group supplying automotive components to Shenyang Automotive for production of minibuses. Accordingly, there is a need for banking facilities to support the businesses of Xing Yuan Dong.

We were advised by the Company that Huachen and Xing Yuan Dong have each considered to use corporate guarantee and/or obtain guarantee from independent third party credit guarantee company and/or pledge of assets instead of using cross guarantees. However, the Company advised that banks in the PRC no longer accept the usage of corporate guarantee of individual company for the banking facilities of its own or its subsidiaries. In addition, it is difficult for a company in the PRC to obtain independent third party guarantee for such a sizable loan amount. Furthermore, according to the Company, it may be difficult for a company to pledge only a certain part of its fixed assets to match the size of a specific loan and pledging the entire asset (which may result in over-collateralisation) may not be in the best interests of the Company as a whole.

Based on the above, we consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole for the Group to enter into the Second Cross Guarantee Agreement in relation to the Second Cross Guarantee.

2. Terms of the Second Cross Guarantee

On 10th November, 2010, an agreement for provision of the Second Cross Guarantee in respect of banking facilities in the maximum amount of RMB1,500 million was entered into between Xing Yuan Dong and Huachen (and its subsidiaries). The banking facilities,

LETTER FROM PARTNERS CAPITAL

that will be granted to each of Xing Yuan Dong and Huachen, will cover a period commencing from 1st January, 2011 up to 31st December, 2011. In the event the Second Cross Guarantee is to be extended for more than one year along with the renewal of the banking facilities, the Company has to comply with all the relevant requirements under Chapter 14A of the Listing Rules. No fee is payable or charged and no securities will be taken or provided in relation to the provision of the Second Cross Guarantee.

Given the background of Huachen, being an operating subsidiary of Liaoning Provincial Government, we were advised by the Company that Huachen is restricted by the government officials to provide the Company with its financial background. However, taking into account the government background of Huachen and the fact that Huachen is holding 2,260,074,988 Shares (representing approximately 45.26% of the entire issued share capital of the Company as at the Latest Practicable Date), which Huachen could realise part of it or obtain share financing if it is in need of cash, we understand from the Directors that they are confident that Huachen, with support of Liaoning Provincial Government, will be able to fulfill its repayment obligations should they become due.

Meanwhile, Huachen will provide guarantee to Xing Yuan Dong in support of the banking facilities of Xing Yuan Dong in the equivalent amounts of RMB1,500 million without any charge or securities.

Based on the above, we consider that the terms of the Second Cross Guarantee are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3. Financial effects of the Second Cross Guarantee on the Group

We are advised by the Directors that the Group is expected to be exposed to a contingent liability of RMB1,500 million as a result of the Second Cross Guarantee. The size of such contingent liability represents approximately 28.2% of the unaudited consolidated net assets of the Group attributable to shareholders as at 30th June, 2010. In view of the background of Huachen as detailed in the sub-paragraph headed "Terms of the Second Cross Guarantee" above, the Directors are confident that Huachen will be able to fulfill their repayment obligations should they become due. In the unlikely event that there is a default on the banking facilities drawn by Huachen, the Directors expect that there will not be any significant adverse financial effect on the Group due to the Group's strong profits and cash flows generated from its operations, as well as alternative sources of funds available from its joint venture and the financial markets.

Based on the above, we concur with the said view of the Directors and consider that the Second Cross Guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM PARTNERS CAPITAL

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the terms of the Second Cross Guarantee are on normal commercial terms, fair and reasonable and the provision of the Second Cross Guarantee is in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the Special General Meeting for approving the Second Cross Guarantee.

Yours faithfully,
For and on behalf of
Partners Capital International Limited
Alan Fung
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS IN EQUITY OR DEBT SECURITIES

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or are required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are set out below:

Name of Directors	Type of interests	Number of Shares held		Approximate shareholding percentage (Note 1)	Number of share options granted (Percentage of the Company's issued share capital) (Note 2)
		Long Position	Short Position		
Wu Xiao An (also known as Ng Siu On)	Personal	5,000,000	—	0.10%	7,800,000 (0.16%) (Note 3)
Qi Yumin	Personal	—	—	—	9,000,000 (0.18%) (Note 4)
He Guohua	Personal	—	—	—	3,000,000 (0.06%) (Note 4)

Name of Directors	Type of interests	Number of Shares held		Approximate shareholding percentage (Note 1)	Number of share options granted (Percentage of the Company's issued share capital) (Note 2)
		Long Position	Short Position		
Wang Shiping	Personal	—	—	—	3,000,000 (0.06%) (Note 4)
Lei Xiaoyang	Personal	—	—	—	3,000,000 (0.06%) (Note 4)

Notes:

1. The percentage of shareholding is calculated on the basis of 4,993,969,388 Shares in issue as at the Latest Practicable Date.
2. The percentage represents the number of Shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to the share options granted by the Company based on the 4,993,969,388 Shares in issue as at the Latest Practicable Date.
3. Out of these share options, 2,800,000 share options are exercisable at any time during the 10-year period from 2nd June, 2001 at the subscription price of HK\$1.896 per Share while 5,000,000 share options are exercisable at any time during the 10-year period from 22nd December, 2008 at the subscription price of HK\$0.438 per Share.
4. These share options are exercisable at any time during the 10-year period from 22nd December, 2008 at the subscription price of HK\$0.438 per Share.

Save as disclosed, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their respective associates has any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or are required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, the following persons, other than a Director or chief executive of the Company have an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholders	Number of Shares held/ Approximate shareholding percentage (Note 1)					
	Long Position	%	Short Position	%	Lending Pool	%
Huachen (Note 2)	2,260,074,988	45.26	—	—	—	—
Templeton Asset Management Ltd. (Note 3)	800,995,632	16.04	—	—	—	—
Cheah Cheng Hye (Note 4)	600,174,000	12.02	—	—	—	—
To Hau Yin (Note 4)	600,174,000	12.02	—	—	—	—
Hang Seng Bank Trustee International Limited (Note 4)	600,174,000	12.02	—	—	—	—
Cheah Company Limited (Note 4)	600,174,000	12.02	—	—	—	—
Cheah Capital Management Limited (Note 4)	600,174,000	12.02	—	—	—	—
Value Partners Group Limited (Note 4)	600,174,000	12.02	—	—	—	—
Value Partners Limited (Note 4)	600,174,000	12.02	—	—	—	—

Notes:

1. The percentage of shareholding is calculated on the basis of 4,993,969,388 Shares in issue as at the Latest Practicable Date.
2. The 2,260,074,988 Shares in long position were held in the capacity as beneficial owner.
3. The 800,995,632 Shares in long position were held in the capacity as investment manager.
4. The 600,174,000 Shares in long position were held by Value Partners Limited in the capacity as investment manager. These Shares were interests of a discretionary trust of which Mr. Cheah Cheng Hye is the founder. The trustee of the trust was Hang Seng Bank Trustee International Limited, which held the interests in the Company through its indirect control over Value Partners Limited. Value Partners Limited is 100% controlled by Value Partners Group Limited, which in turn is 31.19% controlled by Cheah Capital Management Limited. Cheah Capital Management Limited is 100% controlled by Cheah Company Limited, which in turn is 100% controlled by Hang Seng Bank Trustee International Limited. Accordingly, Mr. Cheah Cheng Hye, Ms. To Hau Yin (spouse of Mr. Cheah Cheng Hye), Hang Seng Bank Trustee International Limited, Cheah Company Limited, Cheah Capital Management Limited and Value Partners Group Limited were deemed to have interests in the 600,174,000 Shares in the Company.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and chief executives of the Company, other than a Director or chief executive of the Company has an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed contract of service with any member of the Group which is not expiring or terminable within one year without payment of compensation (other than statutory compensation).

5. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have, since 31st December, 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting as at the date of this circular and which is significant in relation to the business of the Group as a whole.

6. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the professional adviser who has given opinion or advice which is contained in this circular:

Name	Qualification
Partners Capital	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Partners Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and all reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, Partners Capital was not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since the date

to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

7. COMPETING INTERESTS

None of the Directors and his associates is interested directly or indirectly in a business, apart from his interest in the Company, which competes or is likely to compete with the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at Suites 1602–05, Chater House, 8 Connaught Road Central, Hong Kong from the date of this circular up to and including the date which is 14 days from the date of this circular and at the Special General Meeting:

- (a) the letter from Partners Capital, the text of which is set out on pages 9 to 13 of this circular;
- (b) the written consent from Partners Capital referred to in paragraph 6 of this appendix;
- (c) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 8 of this circular; and
- (d) the Second Cross Guarantee Agreement.

NOTICE OF SPECIAL GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that a special general meeting of Brilliance China Automotive Holdings Limited (the “**Company**”) will be held at Chater Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Friday, 17th December, 2010 at 9:00 a.m., for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the cross guarantee agreement dated 10th November, 2010 entered into between 瀋陽興遠東汽車零部件有限公司 (Shenyang XingYuanDong Automobile Component Co., Ltd.*) (“**Xing Yuan Dong**”), a wholly-owned subsidiary of the Company, and 華晨汽車集團控股有限公司 (Huachen Automotive Group Holdings Company Limited*) (“**Huachen**”), in relation to the provision of cross guarantee by each of Xing Yuan Dong and Huachen for the banking facilities of the other party up to the amount of RMB1,500 million for the period from 1st January, 2011 up to 31st December, 2011 (a copy of which is marked “A” and produced to the meeting and signed by the Chairman for identification purposes) be and is hereby approved, confirmed and ratified and that the directors of the Company be and are hereby authorised to take such actions as are necessary to give effect to the cross guarantee.”

By order of the Board

Brilliance China Automotive Holdings Limited

Lam Yee Wah Eva

Company Secretary

Hong Kong, 1st December, 2010

Registered office:

Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal place of business:

Suites 1602–05
Chater House
8 Connaught Road Central
Hong Kong

* *for identification purposes only*

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxies to attend and to vote on a poll in his stead. On a poll, votes may be given either personally (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if shareholders so wish.
5. The ordinary resolution set out in this notice of special general meeting will be put to Shareholders to vote taken by way of a poll.