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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)

**(1) CONTINUING CONNECTED TRANSACTIONS,
(2) CONNECTED AND DISCLOSEABLE TRANSACTION — PROVISION OF CROSS
GUARANTEE TO/BY CONNECTED PERSON
AND
(3) DELAY IN DESPATCH OF CIRCULAR IN RELATION TO THE DISPOSAL AS
REFERRED TO IN THE ANNOUNCEMENT DATED 29TH OCTOBER, 2009 AND THE
CONNECTED AND DISCLOSEABLE TRANSACTION AS REFERRED TO IN THE
ANNOUNCEMENT DATED 9TH NOVEMBER, 2009**

The Continuing Connected Transactions and the Second Cross Guarantee

Reference is made to the announcement made by the Company dated 29th October, 2009 in relation to the disposal of the Zhonghua Business by Shenyang Automotive to Huachen. It is contemplated that upon completion of the Disposal, certain transactions will be entered into between the Company and/or its subsidiaries and Huachen and/or its subsidiaries and/or its associates which will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

On 19th November, 2009, members of the Group entered into relevant framework agreements, the lease agreements and a comprehensive service agreement with Huachen so as to conduct the Continuing Connected Transactions for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal.

In addition, Xing Yuan Dong and Huachen will provide cross guarantees to each other's banking facilities in the amount of RMB1,500 million for a period commencing from the Completion Date up to 31st December, 2010.

As at the date of this announcement, Huachen is interested in approximately 55.38% of the issued share capital of the Company and a connected person of the Company. Accordingly, the purchases of materials and automotive components, the sale of materials and automotive components, the leasing of premises to/from members of the Huachen Group and the provision of services to/by members of the Huachen Group constitute continuing connected transactions under Chapter 14A of the Listing Rules. The provision of the Second Cross Guarantee by/to the Group to/by members of the Huachen Group constitutes connected transaction under Chapter 14A of the Listing Rules and a discloseable transaction under Chapter 14 of the Listing Rules. The Continuing Connected Transactions falling within the categories of (i) the purchases of materials and automotive components; (ii) the sale of materials and automotive components; (iii) the provision of services to members of the Huachen Group; and (iv) the provision of services by members of the Huachen Group are subject to approval by Independent Shareholders in the Special General Meeting taken by way of a poll under Rule 14A.35 of the Listing Rules. The Continuing Connected Transactions falling within the categories of (i) the leasing of premises to members of the Huachen Group; and (ii) the leasing of premises from members of the Huachen Group are de minimis transactions and are exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.31 of the Listing Rules. The Second Cross Guarantee is subject to approval by Independent Shareholders in the Special General Meeting taken by way of a poll under Rule 14A.63 of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders as to, among other things, (i) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (ii) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (iii) the Second Cross Guarantee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, among other things, the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group), the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group) and the Second Cross Guarantee.

Huachen is considered to be interested in the Continuing Connected Transactions and the Second Cross Guarantee. Huachen and its associates will abstain from voting on the ordinary resolutions to be proposed at the Special General Meeting in respect of the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group), the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group) and the Second Cross Guarantee. As at the date of this announcement, none of the associates of Huachen is interested in any Shares.

Delay in despatch of circular

Pursuant to the Listing Rules, the circular in relation to the Disposal and the First Cross Guarantee should be despatched to Shareholders by 19th November, 2009 and 30th November, 2009, respectively. As the Company intends to issue a composite circular for the Disposal, the First Cross Guarantee, the Continuing Connected Transactions and the Second Cross Guarantee and for the reasons set out in the paragraph headed “Delay in despatch of circular” below, application has been made to the Stock Exchange for a waiver from strict compliance with Rule 14.38A and Rule 14A.49 of the Listing Rules in respect of the Disposal and Rule 14A.49 of the Listing Rules in respect of the First Cross Guarantee and to postpone the despatch of the circular to Shareholders on or before 3rd December, 2009.

A composite circular containing, among other matters, details of the Disposal, the First Cross Guarantee, the Continuing Connected Transactions, the Proposed Caps and the Second Cross Guarantee, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser and a notice to Shareholders convening the Special General Meeting to approve (i) the Business Transfer Agreement and the Disposal; (ii) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (iii) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (iv) the Second Cross Guarantee, in accordance with the requirements of the Listing Rules will be despatched to Shareholders on or before 3rd December, 2009.

I. THE CONTINUING CONNECTED TRANSACTIONS

Background of the Continuing Connected Transactions

Reference is made to the Announcement. It is contemplated that upon completion of the Disposal, certain transactions will be entered into between the Company and/or its subsidiaries and Huachen and/or its subsidiaries and/or its associates. Such transactions include the purchases of materials and automotive components, the sale of materials and automotive components, the leasing of premises to/from members of the Huachen Group and the provision of services to/by members of the Huachen Group, on an on-going basis.

The Continuing Connected Transactions

A. *Sale of materials and automotive components by members of the Group to members of the Huachen Group*

- Vendors : Xing Yuan Dong, Dongxing Automotive, Shenyang ChenFa, Shenyang Jindong, Mianyang Ruian, Ningbo Yuming, Ningbo Ruixing and Shenyang Automotive
- Purchasers : Huachen and/or its subsidiaries and/or associates
- Framework agreement : On 19th November, 2009, members of the Group and Huachen entered into framework agreements in relation to the sale of materials and automotive components by Xing Yuan Dong, Dongxing Automotive, Shenyang ChenFa, Shenyang Jindong, Mianyang Ruian, Ningbo Yuming, Ningbo Ruixing and Shenyang Automotive to members of the Huachen Group, for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal
- Pricing policy : The materials and automotive components are to be provided to members of the Huachen Group on terms which are no less favourable than the terms which can be obtained by Xing Yuan Dong, Dongxing Automotive, Shenyang ChenFa, Shenyang Jindong, Mianyang Ruian, Ningbo Yuming, Ningbo Ruixing and Shenyang Automotive from independent third parties for sale of materials and automotive components of comparable quality and quantity. The price will be agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations

B. *Purchases of materials and automotive components by members of the Group from members of the Huachen Group*

- Vendors : Huachen and/or its subsidiaries and/or associates
- Purchasers : Dongxing Automotive, Shenyang ChenFa and Shenyang Automotive
- Framework agreement : On 19th November, 2009, members of the Group and Huachen entered into framework agreements in relation to the purchases of materials and automotive components by Dongxing Automotive, Shenyang ChenFa and Shenyang Automotive from members of the Huachen Group, for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal
- Pricing policy : The materials and automotive components are to be provided to members of the Group on terms which are no less favourable than the terms which can be obtained by Dongxing Automotive, Shenyang ChenFa and Shenyang Automotive from independent third parties for purchase of materials and automotive components of comparable quality and quantity. The price will be agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations

C. *Lease of property by Huachen from Shenyang Automotive*

Lessor	:	Shenyang Automotive
Lessee	:	Huachen
Location of properties	:	Staff canteen and office building located at Dadong District, Shenyang, PRC
Lease agreement	:	On 19th November, 2009, Shenyang Automotive and Huachen entered into a lease agreement in relation to the lease of staff canteen with an area of approximately 6,000 sq. m. and office building with an area of approximately 2,400 sq. m. by Huachen from Shenyang Automotive for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal
Rental	:	RMB2.3 million per annum (inclusive of electricity and water charges), which is determined by reference to rental for premises of similar usage within the proximity

D. *Lease of property by Shenyang Automotive from Huachen*

Lessor	:	Huachen
Lessee	:	Shenyang Automotive
Location of property	:	Composite office building located at Dadong District, Shenyang, PRC
Lease agreement	:	On 19th November, 2009, Shenyang Automotive and Huachen entered into a lease agreement in relation to the lease of composite office building with a total area of approximately 6,500 sq. m. by Shenyang Automotive from Huachen for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal
Rental	:	RMB2.0 million per annum (inclusive of electricity and water charges), which is determined by reference to rental for premises of similar usage within the proximity

E. *Comprehensive service agreement*

- Parties : The Company and Huachen
- Comprehensive service agreement : On 19th November, 2009, the Company and Huachen entered into a comprehensive service agreement in relation to the provision/purchase of services by members of the Group to/from members of the Huachen Group for a period commencing from the Completion Date up to 31st December, 2011, conditional upon completion of the Disposal
- Services to be provided by members of the Group : Services to be provided by members of the Group to members of the Huachen Group include manual labour, design and technical support, painting and stamping
- Services to be provided by members of the Huachen Group : Services to be provided by members of the Huachen Group to members of the Group include stamping, research and development support for new models and/or improved models of minibus, information technology support
- Service fee : Services are to be provided by members of the Group to members of the Huachen Group on terms which are no less favourable than the terms which can be obtained by the relevant member of the Group from independent third parties for provision of services of similar quality. The fee will be agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations

Services are to be provided to members of the Group by members of the Huachen Group on terms which are no less favourable than the terms which can be obtained by the relevant member of the Group from independent third parties for purchase of services of similar quality. The fee will be agreed upon between the parties for each transaction by reference to the aforementioned pricing policy through arm's length negotiations

The framework agreements and the comprehensive service agreement only set out the overriding and major terms of the transactions to be carried out by relevant parties. Details of the terms and conditions (including payment mode and payment terms) for the transactions contemplated under the framework agreements will be dealt with in the purchase orders to be placed by the relevant purchaser, which will be in line with the company policies adopted by the relevant vendor from time to time and may be varied in accordance with the prevailing market situation. The scope and fees for services provided or purchased by members of the Group pursuant to the comprehensive service agreement will be agreed by the relevant parties with reference to the pricing policies of the relevant service provider and the prevailing market condition. All the payments under the framework agreements, the lease agreements and the comprehensive service agreement shall be settled in cash or note payable with credit terms ranging from 30 to 90 days, which is the usual credit term policy adopted by the Group.

Requirements of the Listing Rules

Huachen is currently interested in approximately 55.38% of the issued share capital of the Company and a connected person of the Company. 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 upon completion of the Disposal, it will also carry out the Zhonghua Business. Transactions between the Group and Huachen constitute connected transactions under Rule 14A.13(1)(a) of the Listing Rules. The Continuing Connected Transactions falling within paragraphs I.A., I.B. and I.E. above should be subject to reporting, announcement and independent shareholders' approval requirements as set out in Rule 14A.35 of the Listing Rules. The Continuing Connected Transactions falling within paragraphs I.C. and I.D. above are de minimus transactions and are exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.31 of the Listing Rules.

II. PROPOSED CAPS

Proposed Caps

One resolution in respect of the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group as referred to in paragraphs I.C. to I.D. above) and the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group as referred to in paragraphs I.C. to I.D. above) shall be put forward to the Independent Shareholders at the Special General Meeting seeking their approval for the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group as referred to in paragraphs I.C. to I.D. above) set out opposite to each of the 13 Continuing Connected Transactions contained in the following tables. The Company shall comply with the applicable requirements under the Listing Rules in the event that (i) the leasing of premises to/from members of the Huachen Group as referred to in paragraphs I.C. to I.D. above exceeds the de minimis threshold in the future; or (ii) each of the 13 Proposed Caps exceeds the monetary value set out in the tables below.

The following table sets out the Proposed Caps of the Continuing Connected Transactions referred to in paragraphs I.A. to I.B. above for the two financial years ending 31st December, 2011:

Continuing Connected Transactions	Major type of products	For the year ending 31st December	
		2010 <i>(Note)</i> Proposed Cap <i>(RMB '000)</i>	2011 Proposed Cap <i>(RMB '000)</i>
A. Sale of materials and automotive components by members of the Group to members of the Huachen Group			
A1. Sale of materials and automotive components by Xing Yuan Dong	Electric fuel injection, matching components, carpets and root pads	1,281,000	1,333,500
A2. Sale of materials and automotive components by Dongxing Automotive	Press parts and welding parts	399,600	479,900
A3. Sale of materials and automotive components by Shenyang ChenFa	Power trains	2,393,000	2,625,000
A4. Sale of materials and automotive components by Shenyang Jindong	Matching components	42,000	46,200
A5. Sale of materials and automotive components by Mianyang Ruian	Camshafts	5,400	9,400
A6. Sale of materials and automotive components by Ningbo Yuming	Sealing bars, decorating bars, wide window assembly	103,300	113,600

Continuing Connected Transactions	Major type of products	For the year ending 31st December	
		2010 (Note) Proposed Cap (RMB '000)	2011 Proposed Cap (RMB '000)
A7. Sale of materials and automotive components by Ningbo Ruixing	Under-bearing arm assembly, under-guiding arm assembly, upper cross arm assembly and under cross arm assembly	26,300	28,900
A8. Sale of materials and automotive components by Shenyang Automotive	Engine, engine components, air grille, air pipes and guard board for gear boxes	264,300	278,200
B. Purchases of materials and automotive components by members of the Group from members of the Huachen Group			
B1. Purchase of materials by Dongxing Automotive	Steels	141,800	169,100
B2. Purchase of automotive components by Shanyang ChenFa	Gear boxes	52,500	63,000
B3. Purchase of automotive components by Shenyang Automotive	Power trains	331,700	348,300

Note: The caps set out in the column represent the expected monetary value of the Continuing Connected Transactions for the period commencing from the Completion Date up to 31st December, 2010

The following table sets out the Proposed Caps of the Continuing Connected Transactions referred to in paragraphs I.C. to I.E. above for the two financial years ending 31st December, 2011:

Continuing Connected Transactions	For the year ending 31st December	
	2010 (Note) Proposed Cap (RMB'000)	2011 Proposed Cap (RMB'000)
C. Lease of property by Huachen from Shenyang Automotive	2,300	2,300
D. Lease of property by Shenyang Automotive from Huachen	2,000	2,000
E. Comprehensive service agreement		
E1. Provision of services by members of the Group to members of the Huachen Group	537,100	366,700

Continuing Connected Transactions	For the year ending 31st December	
	2010 (Note) Proposed Cap (RMB'000)	2011 Proposed Cap (RMB'000)
E2. Purchases of services by members of the Group from members of the Huachen Group	415,200	418,800

Note: The caps set out in the column represent the expected monetary value of the Continuing Connected Transactions for the period commencing from the Completion Date up to 31st December, 2010

Basis in determining the Proposed Caps

In determining the Proposed Caps for those Continuing Connected Transactions involving sale of materials and automotive components to Huachen Group for the period commencing from the Completion Date up to 31st December, 2011, the Board has based their estimates on the sales forecast of Zhonghua sedans by the Huachen Group for the relevant years. Important and objective assumptions and factors, though not exhaustive but were arrived at after due and careful consideration of data currently in hand, are set out as below:

- the anticipated growth of the automobile industry in the PRC in the two financial years ending 31st December, 2011;
- the scheduled launch of new models of sedans in the coming two financial years ending 31st December, 2011; and
- the anticipated sales of sedans in the coming two financial years ending 31st December, 2011.

In determining the Proposed Caps for those Continuing Connected Transactions involving purchases of materials and automotive components from the Huachen Group, the Board has based their estimates on sales forecast of minibus for the two financial years ending 31st December, 2011, the product mix of minibus and scheduled launch of new/improved models of minibus.

The Proposed Caps for those Continuing Connected Transactions involving provisions of services to/by the Huachen Group are based on estimated sales forecast of Zhonghua sedans by the Huachen Group and sales forecast of minibus by the Group.

As the Continuing Connected Transactions are new transactions with Huachen in contemplation of completion of the Disposal, no historical transaction amounts are available for disclosure purpose.

III. THE SECOND CROSS GUARANTEE

On 19th November, 2009, an agreement for provision of cross guarantees in respect of banking facilities in the amount of RMB1,500 million is entered into between Xing Yuan Dong and Huachen. The banking facilities, that will be granted to each of Xing Yuan Dong and Huachen,

will be for a term of one year commencing from the Completion Date up to 31st December, 2010. In the event of the cross guarantees are 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 cross guarantees.

Pursuant to such agreement, Xing Yuan Dong and Huachen will provide cross guarantees to each other's banking facilities up to the amount of RMB1,500 million. The Second Cross Guarantee is conditional on completion of the Disposal.

Huachen is a connected person of the Company. The provisions of the cross guarantees between Xing Yuan Dong and Huachen constitute connected transactions under Rule 14A.13(2)(a)(i), Rule 14A.13(2)(b)(i) and Rule 14A.13(3) of the Listing Rules and as the percentage ratios for the Second Cross Guarantee is more than 5% but less than 25%, the Second Cross Guarantee also constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.63 of the Listing Rules.

IV. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS AND THE SECOND CROSS GUARANTEE

Reasons for the Continuing Connected Transactions

The Group is currently principally engaged in the manufacture and sale of minibuses and automotive components and sedans. As stated in the Announcement, the Company proposed to dispose of the Zhonghua Business to Huachen due to its disappointing financial performance and the wish to refocus the management and financial resources of the Company on its existing profitable business in minibus and the BMW joint venture. It is contemplated that upon completion of the Disposal, certain transactions will be entered into between the Company and/or its subsidiaries and Huachen and/or its subsidiaries and/or its associates so as to enable Huachen to continue to carry on the Zhonghua Business.

After completion of the Disposal, Shenyang ChenFa which does not have import licence, will purchase gear boxes from the Huachen Group which has an import licence for importing gear boxes oversea. Dongxing Automotive will purchase steel from the Huachen Group so as to enjoy bulk purchase discount which the Huachen Group will be able to enjoy due to the volume of its purchases.

All the Continuing Connected Transactions are carried out in the ordinary course of business of the Group and will continue to be carried out in the two financial years ending 31st December, 2011. Accordingly, the Board considers it appropriate to seek Independent Shareholders' approval for the Continuing Connected Transactions (save for the leasing of premises to/from members of the

Huachen Group) and the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group) for each of the two financial years ending 31st December, 2011.

In the premises, the executive Directors and the non-executive Director consider the Continuing Connected Transactions to be in the interest of the Group and that the terms of the framework agreements, the lease agreements and the comprehensive service agreement governing the Continuing Connected Transactions to be fair and reasonable and in the interest of the Shareholders in so far as the Shareholders are concerned.

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 Group engaged in the manufacturing of automotive components. Xing Yuan Dong's banking facilities secured by the guarantees provided by Huachen will be utilized by Xing Yuan Dong to improve its production facilities in order to support the scheduled launch of new models of minibuses.

Upon completion of the Disposal, Huachen will take over the Zhonghua Business and will arrange for banking facilities, in place of the current banking facilities of the Group, to finance the Zhonghua Business. The amount of the banking facilities to be taken out by Huachen and covered by the cross-guarantee is approximately the amount of banking facilities currently provided by the Group for the Zhonghua Business.

In the premises, the Directors consider the provision of the Second Cross Guarantee to and from the connected person of the Company to be in the interest of the Group and that the terms of the agreement in relation to the provision of the Second Cross Guarantee to be fair and reasonable and in the interest of the Shareholders in so far as the Shareholders are concerned.

V. GENERAL

Huachen is a connected person of the Company. Accordingly, the purchases of materials and automotive components, the sale of materials and automotive components, the leasing of premises to/from members of the Huachen Group and the provision of services to/by members of the Huachen Group constitute continuing connected transactions under Chapter 14A of the Listing Rules. The provision of the Second Cross Guarantee by/to the Group to/by members of the Huachen Group constitutes connected transaction under Chapter 14A of the Listing Rules and a discloseable transaction under Chapter 14 of the Listing Rules. The Continuing Connected Transactions falling within paragraphs I.A., I.B. and I.E. above are subject to approval by Independent Shareholders in the Special General Meeting taken by way of a poll. The Continuing Connected Transactions falling within paragraphs I.C. and I.D. above are de minimis transactions and are exempt from the reporting, announcement and independent shareholders' approval

requirements under Rule 14A.31 of the Listing Rules. The Second Cross Guarantee is subject to approval by Independent Shareholders in the Special General Meeting taken by way of a poll under Rule 14A.63 of the Listing Rules.

The Independent Board Committee has been established to advise the Independent Shareholders as to, among other things, (i) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (ii) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (iii) the Second Cross Guarantee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, among other things, the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group), the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group) and the Second Cross Guarantee.

Huachen is considered to be interested in the Continuing Connected Transactions and the Second Cross Guarantee. Huachen and its associates will abstain from voting on the ordinary resolutions to be proposed at the Special General Meeting in respect of the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group), the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group) and the Second Cross Guarantee. As at the date of this announcement, none of the associates of Huachen is interested in any Shares.

VI. DELAY IN DESPATCH OF CIRCULAR

Pursuant to the Listing Rules, the circular in relation to the Disposal and the First Cross Guarantee should be despatched to Shareholders by 19th November, 2009 and 30th November, 2009, respectively.

The Company intends to issue a composite circular for the Disposal, the First Cross Guarantee, the Continuing Connected Transactions and the Second Cross Guarantee for the following reasons:

- As the Continuing Connected Transactions and the Second Cross Guarantee are entered into in contemplation of completion of the Disposal, it is believed that the inclusion of the particulars of the Disposal, the Continuing Connected Transactions and the Second Cross Guarantee and the view of the Independent Financial Adviser thereon in the same circular would provide Shareholders with a complete picture of the proposed transactions and thus enable Shareholders to form an informed view towards the various proposed transactions so as to make an informed decision on the resolutions to be proposed at the Special General Meeting.

- The Disposal, the Continuing Connected Transactions and the Second Cross Guarantee would be put forward to Shareholders for consideration at the Special General Meeting, whilst the First Cross Guarantee is not subject to Shareholders' approval at a special general meeting. The despatch of three separate circulars enclosing two separate notices of the same Special General Meeting within a short period of time would cause confusion among Shareholders, incur unnecessary administrative costs for the Company and at same time be environmentally unfriendly.

In addition, more time is required for the Company to ascertain certain financial information of the Group under Rule 14.66 of the Listing Rules so as to prepare the statement of indebtedness and the sufficiency of working capital of the Group for incorporation into the composite circular.

In the premises, application has been made to the Stock Exchange for a waiver from strict compliance with Rule 14.38A and Rule 14A.49 of the Listing Rules in respect of the Disposal and Rule 14A.49 of the Listing Rules in respect of the First Cross Guarantee and to postpone the despatch of the circular to on or before 3rd December, 2009.

A composite circular containing, among other matters, details of the Disposal, the First Cross Guarantee, the Continuing Connected Transactions, the Proposed Caps and the Second Cross Guarantee, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser and a notice to Shareholders convening the Special General Meeting to approve (i) the Business Transfer Agreement and the Disposal; (ii) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (iii) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (iv) the Second Cross Guarantee will be despatched to Shareholders on or before 3rd December, 2009.

VII. DEFINITIONS

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

“Announcement”	the announcement made by the Company dated 29th October, 2009 in relation to the Disposal;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Transfer Agreement”	has the meaning ascribed thereto in the Announcement;
“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;
“Completion Date”	the date of completion of the Disposal;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Continuing Connected Transactions”	the transactions between members of the Group and the connected persons as set out in the paragraph headed “The Continuing Connected Transactions” in this announcement;
“Directors”	the directors of the Company;
“Disposal”	has the meaning ascribed thereto in the Announcement;
“Dongxing Automotive”	瀋陽華晨東興汽車零部件有限公司 (Shenyang Brilliance Dongxing Automotive Component Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 17th March, 1999 and a wholly-owned subsidiary of the Company. The principal activities of Dongxing Automotive are manufacture and trading of automotive components and remodelling of minibuses and sedans in the PRC;
“FA Announcement”	the announcement made by the Company dated 9th November, 2009 in relation to the proposed cross guarantee arrangement between Xing Yuan Dong and JinBei (and its subsidiaries) for the year 2010;
“First Cross Guarantee”	the proposed cross guarantees between Xing Yuan Dong and JinBei (and its subsidiaries) in respect of banking facilities for the maximum amount of RMB600 million for the period from 1st January, 2010 to 31st December, 2010 as set out in the FA Announcement;
“Group”	the Company and its subsidiaries;
“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 date of this announcement is interested in approximately 55.38% of the issued share capital of the Company;
“Huachen Group”	Huachen and its subsidiaries, and where the context requires, shall include those entities the equity interest of which will be transferred to Huachen at completion of the Disposal;

“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 Shareholders and/or Independent Shareholders (as the case may be) as to (i) the Disposal; (ii) the First Cross Guarantee; (iii) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (iv) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (v) the Second Cross Guarantee;
“Independent Financial Adviser”	Partners Capital International Limited, the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Shareholders and/or Independent Shareholders (as the case may be) as to (i) the Disposal; (ii) the First Cross Guarantee; (iii) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (iv) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (v) the Second Cross Guarantee;
“Independent Shareholders”	Shareholders other than Huachen and its associates;
“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 the 39.1% equity interests in Shenyang Automotive;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mianyang Ruian”	綿陽華晨瑞安汽車零部件有限公司 (Mianyang Brilliance Ruian Automotive Components Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 3rd July, 2000 and a wholly owned subsidiary of the Company. The principal activities of Mianyang Ruian are manufacture and trading of automotive components;
“Ningbo Ruixing”	寧波華晨瑞興汽車零部件有限公司 (Ningbo Brilliance Ruixing Auto Components Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 9th June, 2000 and a wholly owned subsidiary of the Company. The principal activities of Ningbo Ruixing are manufacture and trading of automotive components;

“Ningbo Yuming”	寧波裕民機械工業有限公司 (Ningbo Yuming Machinery Industrial Co., Ltd.*), a wholly foreign owned joint venture established in the PRC on 14th August, 1993. Ningbo Yuming is currently a wholly foreign owned enterprise in the PRC and a wholly owned subsidiary of the Company. The principal activities of Ningbo Yuming are manufacture and sale of automotive components in the PRC;
“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;
“Proposed Caps”	the estimated annual monetary values of the Continuing Connected Transactions for the two financial years ending 31st December, 2011;
“RMB”	renminbi, the lawful currency of the PRC;
“Second Cross Guarantee”	the financial assistance provided to/by the Group by/to connected person as set out in the paragraph headed “The Second Cross Guarantee” in this announcement;
“Shanghai Hidea”	上海漢風汽車設計有限公司 (Shanghai Hidea Auto Design Co., Ltd.*), a sino-foreign equity joint venture established in the PRC on 16th April, 2004 and a subsidiary of the Company whose equity interests are owned as to 63.25% by the Company. The principal activity of Shanghai Hidea is design of automobiles;
“Shareholder(s)”	holder(s) of Shares;
“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 equity interests are owned as to 51% by the Company. The principal activities of Shenyang Automotive are manufacture, assembly and sale of minibuses and sedans as well as automotive components in the PRC;

“Shenyang ChenFa”	瀋陽晨發汽車零部件有限公司 (Shenyang ChenFa Automobile Component Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 19th June, 2003 and a wholly owned subsidiary of the Company. The principal activities of Shenyang ChenFa are development, manufacture and sale of engine components;
“Shenyang Jindong”	瀋陽華晨金東實業發展有限公司 (Shenyang Jindong Development Co., Ltd.*), an equity joint venture established in the PRC on 18th April, 2002 in which the Company has an effective equity interest of 75.50%. The principal activities of Shenyang Jindong are trading of automotive components;
“Special General Meeting”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, (i) the Business Transfer Agreement and the Disposal; (ii) the Continuing Connected Transactions (save for the leasing of premises to/from members of the Huachen Group); (iii) the Proposed Caps (save for the Proposed Caps for the leasing of premises to/from members of the Huachen Group); and (iv) the Second Cross Guarantee;
“sq. m.”	square metre;
“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

“Zhonghua Business” has the meaning ascribed thereto in the Announcement.

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

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

Hong Kong, 19th November, 2009

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. He Guohua and Mr. Wang Shiping; one non-executive Director, Mr. Lei Xiaoyang; and three independent non-executive Directors, Mr. Xu Bingjin, Mr. Song Jian and Mr. Jiang Bo.

* *For identification purposes only*