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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)

CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

八方 金融有限公司
OCTAL Capital Limited

A letter from the Board is set out on pages 6 to 20 of this circular. A letter from the independent board committee of Brilliance China Automotive Holdings Limited is set out on page 21 of this circular.

A letter from Octal Capital Limited, the independent financial adviser, containing its advice to the independent board committee and the independent shareholders of Brilliance China Automotive Holdings Limited is set out on pages 22 to 45 of this circular.

A notice convening the Special General Meeting to be held at Pheasant – Jasmine Room, 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Thursday, 17th July, 2025 at 9:00 a.m. is set out on pages 51 to 53 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 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 the holding of the Special General Meeting (i.e. at or before 9:00 a.m. on Tuesday, 15th July, 2025 (Hong Kong time)) or any adjourned meeting (as the case may be). Completion and return of the form of proxy 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.

26th June, 2025

* For identification purposes only

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DEFINITIONS

In this circular, unless otherwise defined, terms used herein shall have the following meaning:

“2025 Automobiles Sales Framework Agreement”	the automobiles sales framework agreement dated 20th May, 2025 entered into between the Company and Shenyang Automobile in relation to the sale of automobiles by members of the Group to members of the Shenyang Automobile Group for the period commencing from 20th May, 2025 to 31st December, 2026;
“2025 Automotive Components Sales Framework Agreement”	the automotive components sales framework agreement dated 20th May, 2025 entered into between the Company and Shenyang Automobile in relation to the sale of materials and automotive components by members of the Group to members of the Shenyang Automobile Group for the period commencing from 20th May, 2025 to 31st December, 2026;
“2025 Non-Exempt CCTs”	for the purpose of this circular, the transactions between members of the Group and the Shenyang Automobile Group falling under the 2025 Non-Exempt CCTs Agreements;
“2025 Non-Exempt CCTs Agreements”	the 2025 Automotive Components Sales Framework Agreement and the 2025 Automobiles Sales Framework Agreement;
“2025 Non-Exempt Proposed Caps”	for the purpose of this circular, the estimated annual monetary values of the transactions between the Group and the Shenyang Automobile Group falling under the 2025 Non-Exempt CCTs Agreements;
“Announcements”	the announcements of the Company dated 27th December, 2024 and 23rd January, 2025 in relation to, among other things, the transactions between the Group and the Shenyang Automobile Group contemplated under the Automobiles Sales Framework Agreement;

DEFINITIONS

“Automobiles Sales Framework Agreement”	the automobiles sales framework agreement dated 27th December, 2024 entered into between the Company and Shenyang Automobile in relation to the sale of automobiles by members of the Group to members of the Shenyang Automobile Group for the period commencing from 1st December, 2024 to 31st December, 2025 as announced in the Announcements;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*), an exempted company incorporated in Bermuda with limited liability on 9th June, 1992, whose securities are listed on the Stock Exchange;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huachen”	Huachen Automotive Group Holdings Company Limited* (華晨汽車集團控股有限公司), a substantial Shareholder which as at the Latest Practicable Date is, through Shenyang Sanshi, interested in approximately 29.99% of the issued share capital of the Company and is a wholly owned subsidiary of Shenyang Automobile;

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps);
“Independent Financial Adviser”	Octal Capital Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps);
“Independent Shareholders”	Shareholders, other than Shenyang Automobile and its associates, who will abstain from voting on the relevant resolution in relation to the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) at the Special General Meeting;
“Independent Third Party(ies)”	party who is a third party independent of the Company and its connected person(s);
“JSA”	Jinbei (Shenyang) Automotive Co., Ltd. (formerly known as RBJAC), a company owned as to 80.72% by the Group, 18.64% by Renault SAS, 0.29% by 瀋陽斯瓦特汽車零部件有限公司, 0.14% by 遼寧撫叉工業車輛有限公司, 0.07% by 承德華遠自動化設備有限公司, 0.06% by 北京潤霖汽車科技有限公司, 0.04% by 北京健力源餐飲管理有限公司 and 0.04% by 長春力拓輸送機械有限公司 as at the Latest Practicable Date;
“Latest Practicable Date”	23rd June, 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“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;
“RBJAC”	Renault Brilliance Jinbei Automotive Company Limited (currently known as JSA);
“Restructuring”	the restructuring of, among others, the indebtedness and shareholding structure of RBJAC pursuant to the formal restructuring plan as approved by the Shenyang Intermediate People’s Court on 23rd May, 2023 (for further details, please refer to the announcements of the Company dated 30th December, 2021, 12th January, 2022, 24th May, 2022 and 25th May, 2023);
“RMB”	renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 Laws of Hong Kong), as amended from time to time;
“Shareholder(s)”	holder(s) of Shares;
“Shares”	shares at par value of US\$0.01 each in the share capital of the Company;
“Shenyang Automobile”	瀋陽汽車有限公司 (Shenyang Automobile Co., Ltd.*), the holding company of Huachen and a substantial Shareholder which as at the Latest Practicable Date is, through Huachen and Shenyang Sanshi, interested in approximately 29.99% of the issued share capital of the Company;
“Shenyang Automobile Group”	Shenyang Automobile and its associates within the meaning of the Listing Rules, but excluding the Group for the purpose of this circular;

DEFINITIONS

“Shenyang Sanshi”	Shenyang Sanshi Automotive Industry Development Co., Ltd.* (瀋陽三實汽車產業發展有限公司), a wholly-owned subsidiary of Huachen and a substantial Shareholder which is interested in approximately 29.99% of the issued share capital of the Company as at the Latest Practicable Date;
“Special General Meeting”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, if appropriate, the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

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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)

Executive Directors:

Mr. Zhang Yue

(Chairman and Chief Executive Officer)

Mr. Zhang Wei

Mr. Guo Hongbo

Registered Office:

Victoria Place

5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

Independent non-executive Directors:

Mr. Song Jian

Mr. Jiang Bo

Mr. Dong Yang

Dr. Lam Kit Lan, Cynthia

Head Office and Principal Place of

Business in Hong Kong:

Unit 3303, 33rd Floor

The Henderson

2 Murray Road, Central

Hong Kong

26th June, 2025

To the Shareholders

Dear Sir or Madam

CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

The Board refers to (i) the Announcements; and (ii) the announcement of the Company dated 20th May, 2025 in relation to, among other things, the entering into of the 2025 Non-Exempt CCTs Agreements and the 2025 Non-Exempt Proposed Caps.

An Independent Board Committee, comprising Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang, and Dr. Lam Kit Lan, Cynthia, all of whom are independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps). The letter from the Independent Board Committee setting out its advice and recommendations to the Independent Shareholders on the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) is set out on page 21 of this circular.

* *For identification purposes only*

LETTER FROM THE BOARD

Octal Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps). The letter from the Independent Financial Adviser setting out its advice and recommendations to the Independent Board Committee and the Independent Shareholders on the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) is set out on pages 22 to 45 of this circular.

The purposes of this circular are, among other things: (i) to provide Shareholders with further details on the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps); (ii) to set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the matters set out in (i); (iii) to set out the recommendation and opinion of the Independent Board Committee to the Independent Shareholders after taking into consideration the advice of the Independent Financial Adviser in relation to the matters set out in (i); and (iv) to give Shareholders the notice of the Special General Meeting at which the ordinary resolution will be proposed to approve the matters set out in (i).

II. THE CONTINUING CONNECTED TRANSACTIONS WITH SHENYANG AUTOMOBILE

A. The 2025 Automotive Components Sales Framework Agreement

On 20th May, 2025, the Company and Shenyang Automobile entered into the 2025 Automotive Components Sales Framework Agreement in relation to the sale of materials and/or automotive components by members of the Group to members of the Shenyang Automobile Group.

The principal terms of the 2025 Automotive Components Sales Framework Agreement are set out as follows:

Vendor	:	The Group
Purchaser	:	The Shenyang Automobile Group
Subject	:	Materials and/or automotive components
Term	:	20th May, 2025 to 31st December, 2026

LETTER FROM THE BOARD

Pricing policy : The materials and/or automotive components are produced exclusively for use on automobiles produced by the Group. The pricing for each sale of the materials and/or automotive components to the Shenyang Automobile Group shall be determined after arm's length negotiation between members of the Group and the relevant members of the Shenyang Automobile Group by reference to the official prevailing market price of the materials and/or automotive components determined by the Group at the material time.

The Company has a standardised pricing procedure for its materials and/or automotive components. JSA's sales department will initially formulate a recommended price based on the cost of the materials and/or automotive components plus a proposed profit margin of not less than 16%. The proposed profit margin is determined with reference to historical sales data including the gross profit margin of the materials and/or automotive components. The finance department will then review and evaluate pricing profitability based on expected cost structure before giving its final approval. The final prices of the materials and/or automotive components determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group. This mechanism ensures that the prices offered to the Shenyang Automobile Group will be no more favourable than the prices offered to Independent Third Party purchasers.

There is no historical transaction amount of the transactions contemplated under the 2025 Automotive Components Sales Framework Agreement.

LETTER FROM THE BOARD

B. The 2025 Automobiles Sales Framework Agreement

On 20th May, 2025, the Company and Shenyang Automobile entered into the 2025 Automobiles Sales Framework Agreement in relation to the sale of automobiles by members of the Group to members of the Shenyang Automobile Group.

The principal terms of the 2025 Automobiles Sales Framework Agreement are set out as follows:

Vendor	:	The Group
Purchaser	:	The Shenyang Automobile Group
Subject	:	Automobiles
Term	:	20th May, 2025 to 31st December, 2026
Pricing policy for automobiles	:	The pricing for each sale of the automobiles to the Shenyang Automobile Group shall be determined after arm's length negotiation between members of the Group and the relevant members of the Shenyang Automobile Group by reference to the official prevailing market price of the automobiles determined by the Group at the material time.

LETTER FROM THE BOARD

The Company has a standardised pricing procedure for launch of automobiles. JSA's marketing team will initially conduct market research to evaluate marketable prices based on current marketing strategy, prevailing market conditions, and historical sales data. The market research will include analysis on competitors' pricing and product features for at least three competitor models of similar technical specifications such as number of seats and engine displacement as well as their market position. The finance department then evaluates pricing profitability based on expected cost structure before management committee (described below) giving its final approval. Other departments such as marketing department, sales department, research and development department will also participate in the evaluation in marketing and technical aspects. A dedicated management committee responsible for JSA's major economic decisions will then review and approve the proposed pricing. The final prices of the automobiles determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group. This mechanism ensures that the prices offered to the Shenyang Automobile Group will be no more favourable than the prices offered to Independent Third Party purchasers.

Sales of automobiles were made by the Group to the Shenyang Automobile Group pursuant to the Automobiles Sales Framework Agreement in the aggregate amount of approximately RMB17,323,000 between 1st January, 2025 to 19th May, 2025.

Following completion of JSA's trial production of its automobiles in mid-May 2025 and the entering into of the 2025 Automobiles Sales Framework Agreement, all sales of automobiles to the Shenyang Automobile Group will be made in accordance with the terms of the 2025 Automobiles Sales Framework Agreement only. The Company confirms that, for the period commencing from 1st January, 2025 to the Latest Practicable Date, the actual transaction amounts for the sale of automobiles and automotive components by the Group to the Shenyang Automobile Group had not exceeded the 5% shareholder approval threshold under Rule 14A.76(2) of the Listing Rules and the Company will ensure that such threshold will not be exceeded prior to the obtaining of the approval of the Independent Shareholders in respect of each of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) at the Special General Meeting.

LETTER FROM THE BOARD

The 2025 Non-Exempt CCTs Agreements only set out the overriding and major terms of the transactions to be carried out by the relevant parties. Details of the terms and conditions (including payment mode and payment terms) for the transactions contemplated under each of the 2025 Non-Exempt CCTs 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. Save as specifically provided, all the payments under each of the 2025 Non-Exempt CCTs Agreements shall, subject to assessments based on the payment policies of the relevant vendor at the material time, be normally 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.

III. 2025 NON-EXEMPT PROPOSED CAPS AND BASIS OF DETERMINATION

2025 Non-Exempt Proposed Caps

	2025 Non-Exempt Proposed Cap	
	For the period commencing 20th May, 2025 and ending 31st December, 2025 (RMB'000)	For the financial year ending 31st December, 2026 (RMB'000)
2025 NON-EXEMPT CCTs		
Sale of materials and/or automotive components by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automotive Components Sales Framework Agreement (<i>Note 1</i>)	210	420
Sale of automobiles by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement (<i>Note 1</i>)	121,656 (<i>Note 2</i>)	205,043

Notes:

- (1) Pursuant to the 2025 Non-Exempt CCTs Agreements, the Company is entitled to procure any member of the Group to perform the Group's obligation to sell or provide the automobiles, materials, and/or automotive components (as the case may be) to the Shenyang Automobile Group in any circumstances including change in the structure of the Group or change in the product mix of any member of the Group.
- (2) The cap amount of RMB121,656,000 for the period commencing 20th May, 2025 and ending on 31st December, 2025 only covers the sale of automobiles by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement.

LETTER FROM THE BOARD

Basis in determining the 2025 Non-Exempt Proposed Caps

In determining the 2025 Non-Exempt Proposed Caps for the 2025 Non-Exempt CCTs for the period commencing on 20th May, 2025 to 31st December, 2026, the Board has based its estimates on the sales forecast and production capability for the relevant period. 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 2025 Automotive Components Sales Framework Agreement

- (i) the terms of the 2025 Automotive Components Sales Framework Agreement;
- (ii) the progress of the production of JSA in the first quarter of 2025 and the anticipated progress of the post-trial production to be conducted by JSA in the second quarter of 2025, currently with an estimated annual production of approximately 60,000 automobiles;
- (iii) the recommencement of production of materials and automotive components for sale from the second quarter of 2025;
- (iv) the 246 units of automobiles sold to the Shenyang Automobile Group pursuant to the Automobiles Sales Framework Agreement and the estimated 1,400 units and 2,500 units of automobiles projected to be sold to the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement for the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026, respectively;
- (v) the projected number of units of each type of materials and automotive components and their estimated demand from the Shenyang Automobile Group for use in its after sales services determined primarily based on the number of automobiles sold to the Shenyang Automobile Group pursuant to the Automobiles Sales Framework Agreement or to be sold pursuant to the 2025 Automobiles Sales Framework Agreement;
- (vi) the estimated materials and automotive components sales for first-year after sales services of approximately RMB300 per automobile and second-year and third-year after sales services averaging approximately RMB220 per automobile; and
- (vii) an additional buffer of 5% to cater for any increase in the transaction volume.

LETTER FROM THE BOARD

The 2025 Automobiles Sales Framework Agreement

- (i) the terms of the 2025 Automobiles Sales Framework Agreement;
- (ii) the progress of the production of JSA in the first quarter of 2025 and the anticipated progress of the post-trial production of JSA for the two years ending 31st December, 2026, currently with an estimated annual production of approximately 60,000 automobiles;
- (iii) the historical amount of sales of automobiles made between 1st January, 2025 to 19th May, 2025 in the amount of approximately RMB17,323,000 pursuant to the Automobiles Sales Framework Agreement;
- (iv) the increment in the sale prices of automobiles from 20th May, 2025 pursuant to the 2025 Automobiles Sales Framework Agreement and all sales of automobiles by members of the Group to members of the Shenyang Automobile Group from 20th May, 2025 will be made in accordance with the terms of the 2025 Automobiles Sales Framework Agreement only;
- (v) the estimated 1,400 units and 2,500 units of automobiles projected to be sold to the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement for the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026, respectively, based on estimated demand from the Group's downstream sub-distributors, as communicated between distributors (including the Shenyang Automobile Group) and their downstream sub-distributors;
- (vi) the estimated price per unit of automobiles to be sold during the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026;
- (vii) the anticipated gradual increase in production capacity and automobile orders post JSA's trial production stage commenced from mid-May 2025;
- (viii) the scheduled launch of five light commercial vehicles, especially medium sized electric light commercial vehicles by JSA by end of 31st December, 2025; and
- (ix) an additional buffer of 5% to cater for any increase in the transaction volume.

LETTER FROM THE BOARD

As part of the Company's internal policy and to ensure the Group's pricing policy is reflective of and aligns with actual market circumstances, members of the Group will, on a semi-annual basis, compare, among other things, the prevailing market prices of similar goods in the market against the prevailing market prices of its products. A database of market data and historical selling prices and records of the Group's products will be maintained for future references and comparisons. Where the semi-annual comparison reveals significant discrepancies between the actual prices of the Group's products and the prevailing market prices of similar goods in the market, adjustments to the standardised prices of the Group's products will be made in order to align with actual market circumstances, subject to the evaluation and approval process of the relevant departments of the members of the Group as disclosed in paragraphs headed "Pricing policy" in the section headed "A. The 2025 Automotive Components Sales Framework Agreement" and "Pricing policy for automobiles" in the section headed "B. The 2025 Automobiles Sales Framework Agreement", including the evaluation by the finance department on the pricing profitability and the final approval by the management committee. Based on historical data and common market practices adopted in the automobiles industry, market prices of automobiles and automotive components have been relatively stable and are generally reviewed and adjusted on an annual basis, hence the Company is of the view that comparison made on a semi-annual basis is adequate and sufficient. It will also conduct regular checks as detailed in the paragraph headed "VI. Internal Control Measures" below to review and assess whether the 2025 Non-Exempt CCTs have been entered into in accordance with the terms of the relevant 2025 Non-Exempt CCTs Agreements and that the actual prices for the transactions under each of the 2025 Non-Exempt CCTs Agreements will be no more favourable than the prices offered to Independent Third Party purchasers. In addition, the auditors of the Company will be engaged to review the 2025 Non-Exempt CCTs to assess whether the 2025 Non-Exempt CCTs have been carried out in accordance with the pricing policies of the Group.

IV. REASONS FOR THE 2025 NON-EXEMPT CCTS

The Group is engaged in the manufacture and sale of automobiles and automotive components and provision of auto financing service through its major operating subsidiaries. Prior to the Restructuring, the manufacture and sale of certain automobiles by the Group was carried out by JSA (formerly known as RBJAC) and had been acquiring automotive components from Huachen and its associates for its production of automobiles. As a result of the Restructuring, the business operation of JSA (formerly known as RBJAC) had been suspended since January 2022 and JSA had been working on recommencing operations and preparing for the resumption of production following the completion of its Restructuring at end of May 2024.

LETTER FROM THE BOARD

As disclosed in the Announcements, the Company and Shenyang Automobile entered into the Automobiles Sales Framework Agreement on 27th December, 2024 to set out the terms of sale of automobiles by the Group to the Shenyang Automobile Group during JSA's trial production stage. In light of the completion of JSA's trial production of its automobiles in May 2025 and its progression to full production, it was necessary to review the pricing policy under the Automobiles Sales Framework Agreement to reflect the business development of JSA. Following the entering into of the 2025 Automobiles Sales Framework Agreement on 20th May, 2025, all subsequent sale of automobiles by the Group to the Shenyang Automobile Group will be made pursuant to the terms of the 2025 Automobiles Sales Framework Agreement.

As part of the recommencement of the business operation of JSA, the Group is in the process of re-establishing the sales connection network domestically and overseas. The Company expects to build distribution channels by authorising official distributors to facilitate sales of automobiles manufactured by the Group. The Shenyang Automobile Group possesses established sales and distribution network in the PRC. The strategic continuous cooperation with the Shenyang Automobile Group, in particular following JSA's official recommencement of its production lines, will enable the Group to leverage on the network of the Shenyang Automobile Group and is in line with the long-term development strategy of the Group, and is conducive to expanding the sales channel of the Group both domestically and overseas, enhancing the Group's sales volume, and facilitating the Group's long-term business development.

JSA has also recently recommenced the trial production of materials and automotive components. Prior to the Restructuring, the Group had been acquiring raw materials and automotive components from Huachen and its associates for processing into core automotive components for use in production of automobiles and Huachen had been acquiring specially designed automotive components from the Group for use in its after sales services. Following the official recommencement of JSA's production of materials and automotive components in the second quarter of 2025, the Group will progressively reduce acquiring raw materials and automotive components from external suppliers (including the Shenyang Automobile Group) and focus on in-house production by JSA. As distributor of JSA's automobiles, it is anticipated that the Shenyang Automobile Group will resume acquisition of materials and/or automotive components from the Group for use in its after sales services, which will provide additional source of income for the Group. The Company will also leverage on the sales and distribution network of the Shenyang Automobile Group as the authorised official distributor of materials and automotive components produced by JSA to broaden its sales channel.

The 2025 Non-Exempt CCTs are carried out in the ordinary course of business of the Group and are expected to continue to be carried out in the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026.

LETTER FROM THE BOARD

The 2025 Non-Exempt CCTs are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group according to its needs and are carried out on normal commercial terms and reasonably priced. The pricing policy and pricing of the connected transactions are based on open, fair and impartial rates and are agreed upon the negotiation of the parties.

Based on the above reasons, all the Directors (including the independent non-executive Directors) consider that the 2025 Non-Exempt CCTs are in the interests of the Company and the Shareholders as a whole; on normal commercial terms and in the ordinary and usual course of business of the Group; and that the terms of each of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) are fair and reasonable.

V. INFORMATION OF THE PARTIES

Information of the Group

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

Information of Shenyang Automobile Group

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

LETTER FROM THE BOARD

VI. INTERNAL CONTROL MEASURES

The Company has established the following internal control measures to ensure that the transactions entered into under each of the 2025 Non-Exempt CCTs Agreements will be conducted in accordance with the pricing policies of the Group and the respective terms of such agreements are on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms shall not be less favourable than the terms which can be obtained from an Independent Third Party for the provision/purchase of similar goods so far as the Company is concerned. Such internal control measures mainly include the following:

- (a) prior to the entering into each transaction under the 2025 Non-Exempt CCTs, the final pricing and other major terms of the 2025 Non-Exempt CCTs are required to be approved by the senior management of the various departments involved such as the department head, chief financial officer and/or the general manager of the relevant members of the Group as the final checks and balances measure to ensure the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;
- (b) the managers of the relevant members of the Group will review the terms of the executed transactions undertaken pursuant to the 2025 Non-Exempt CCTs Agreements on a monthly basis to ensure the prices for the goods provided or to be provided thereunder are reflective of the pricing policies of the Group and in accordance with the terms of the 2025 Non-Exempt CCTs Agreements;
- (c) the finance department of the Company will review, on a monthly basis, the transaction amount under 2025 Non-Exempt CCTs Agreements and submit such information for the management's review, including but not limited to the historical transaction amount, to ensure that the relevant transactions are carried out in accordance with the terms of the 2025 Non-Exempt CCTs Agreements and will not exceed the respective annual caps. In the event that the utilisation rate of the relevant 2025 Non-Exempt Proposed Caps reaches 90%, the Board will be informed for considering if the relevant 2025 Non-Exempt Proposed Caps shall be revised and, if so, the Company will further comply with relevant requirements under the Listing Rules; and
- (d) the auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the 2025 Non-Exempt CCTs Agreements in accordance with the Listing Rules.

LETTER FROM THE BOARD

By implementing the above procedures and measures, all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group to ensure that the relevant continuing connected transaction is conducted on normal commercial terms (or terms no less favourable than the terms which can be obtained from an Independent Third Party for the provision/purchase of similar goods) and will not be prejudicial to the interests of the Company and the Shareholders as a whole. Regular checks will also be conducted to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the 2025 Non-Exempt CCTs Agreements and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the 2025 Non-Exempt CCTs Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

VII. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Shenyang Automobile, through its subsidiaries, is interested in approximately 29.99% of the issued share capital of the Company. Accordingly, Shenyang Automobile is a connected person of the Company under the Listing Rules. Hence, the 2025 Non-Exempt CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the annual transaction amount of the 2025 Non-Exempt Proposed Caps contemplated under the 2025 Non-Exempt CCTs Agreements, together with the sale of automobiles made by members of the Group to members of the Shenyang Automobile Group in the aggregate amount of approximately RMB17,323,000 between 1st January, 2025 to 19th May, 2025 under the Automobiles Sales Framework Agreement as disclosed in the Announcements, on an aggregated basis, is more than 5%, the transactions under each of the Non-Exempt CCTs Agreements are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Mr. Zhang Yue (chairman of the Board and Chief Executive Officer of the Company) is the legal representative and chairman of Shenyang Automobile. Due to common directorship, Mr. Zhang Yue abstained from voting on the board resolutions approving the 2025 Non-Exempt CCTs. Save as aforesaid, no Director has a material interest in the said 2025 Non-Exempt CCTs and no other Directors need to abstain from voting on the Board resolutions for considering and approving the 2025 Non-Exempt CCTs.

LETTER FROM THE BOARD

VIII. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps).

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps).

As at the Latest Practicable Date, Shenyang Automobile is, through Shenyang Sanshi, interested in 1,512,875,802 Shares, representing approximately 29.99% of the entire issued share capital of the Company, and is entitled to, through Shenyang Sanshi, exercise control over the voting rights of 1,512,875,802 Shares. Shenyang Automobile is considered to be interested in the 2025 Non-Exempt CCTs between the Group and the Shenyang Automobile Group, hence Shenyang Automobile, Shenyang Sanshi and their respective associates will abstain from voting on the ordinary resolution to be proposed at the Special General Meeting in respect of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps). As at the Latest Practicable Date, save for Shenyang Sanshi's direct interest in 1,512,875,802 Shares, none of the associates of Shenyang Automobile is directly interested in any Shares.

IX. SPECIAL GENERAL MEETING

A notice convening the Special General Meeting of the Company to be held at Pheasant – Jasmine Room, 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Thursday, 17th July, 2025 at 9:00 a.m. for the purpose of considering, and if thought fit, the passing of the ordinary resolution set out on pages 51 to 53 of this circular. Any Shareholder with a material interest in the transactions will not vote.

Enclosed is a form of proxy for use at the Special General Meeting. Whether or not the Shareholders intend to be present at the Special General Meeting, they are requested to complete the form of proxy and return it to the office of the branch registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding of the Special General Meeting (i.e. at or before 9:00 a.m. on Tuesday, 15th July, 2025 (Hong Kong time)) or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting at the Special General Meeting or adjourned meeting (as the case may be) if they 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.

LETTER FROM THE BOARD

X. RECOMMENDATIONS

The text of a letter to the Independent Shareholders from the Independent Board Committee containing its recommendation in relation to each of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) is set out on page 21 of this circular.

Having considered the advice from the Independent Financial Adviser in relation to the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps), which is set out on pages 22 to 45 of this circular, the Independent Board Committee is of the opinion that the terms of each of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) are on normal commercial terms, 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.

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) are of the opinion that the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the 2025 Non-Exempt CCTs Agreements (including the 2025 Non-Exempt Proposed Caps) are 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.

XI. ADDITIONAL INFORMATION

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

Yours faithfully
By Order of the Board
Brilliance China Automotive Holdings Limited
Zhang Yue
Chairman and Chief Executive Officer

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)

26th June, 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed as the Independent Board Committee to advise you in connection with the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps), details of which are set out in the Letter from the Board in the circular to the Shareholders dated 26th June, 2025 (the “Circular”), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

Having taken into account the terms of each of the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps), the principal factors and reasons considered by the Independent Financial Adviser and its advice in relation thereto as set out on pages 22 to 45 of the Circular, we are of the opinion that the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) are in the interests of the Company and the Shareholders as a whole and that the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) are on normal commercial terms, in the ordinary and usual course of business of the Company and fair and reasonable so far as the Shareholders are concerned. We therefore recommend that you vote in favour of the ordinary resolution to be proposed at the Special General Meeting to approve the 2025 Non-Exempt CCTs Agreements and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps).

Yours faithfully,

For and on behalf of the Independent Board Committee

Song Jian

Independent non-executive Director

Jiang Bo

Independent non-executive Director

Dong Yang

Independent non-executive Director

Lam Kit Lan, Cynthia

Independent non-executive Director

* For identification purposes only

LETTER FROM OCTAL CAPITAL LIMITED

The following is the letter of advice to the Independent Board Committee and the Independent Shareholders from Octal Capital Limited which has been prepared for the purpose of inclusion in this circular.



Octal Capital Limited
801-805, 8th Floor,
Nan Fung Tower
88 Connaught Road Central
Hong Kong

26th June, 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions (the “**2025 Shenyang Automobile CCTs**”) between the Group and the Shenyang Automobile Group contemplated under 2025 Automotive Components Sales Framework Agreement and the 2025 Automobiles Sales Framework Agreement (the “**2025 Sales Framework Agreements**”) and the 2025 Non-Exempt Proposed Caps for the period commencing from 20th May, 2025 to 31st December, 2026, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) of the circular to the Shareholders dated 26th June, 2025 (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.

As at the Latest Practicable Date, Shenyang Automobile, through its subsidiaries, is interested in approximately 29.99% of the issued share capital of the Company. Accordingly, Shenyang Automobile is a connected person of the Company under the Listing Rules. Hence, the 2025 Shenyang Automobile CCTs constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the 2025 Non-Exempt Proposed Caps contemplated under the 2025 Sales Framework Agreements, together with the sale of automobiles made by members of the Group to members of the Shenyang Automobile Group in the aggregate amount of approximately RMB17,323,000 between 1st January, 2025 to 19th May, 2025 under the Automobiles Sales Framework Agreement as disclosed in the Announcements, on an aggregated basis, is more than 5%, the 2025 Shenyang Automobile CCTs are subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements as set out in Chapter 14A of the Listing Rules.

LETTER FROM OCTAL CAPITAL LIMITED

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia, has been established to advise the Independent Shareholders as to the 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we were not connected with the Group, Shenyang Automobile or, where applicable, any of their respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 13.84 of the Listing Rules. During the last two years, there has been no engagement entered into between the Company and us. We are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders regarding 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps.

Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company, the Group, Shenyang Automobile or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser pursuant to Rule 13.84 of the Listing Rules.

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 discussions with the management of the Company regarding the Group, the 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps, 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 among other things, (i) the 2025 Sales Framework Agreements; (ii) the annual reports of the Company for the year ended 31st December, 2023 (the “**2023 Annual Report**”) and 31st December, 2024 (the “**2024 Annual Report**”); (iii) other information as set out in the Circular; and (iv) the relevant market data and information available from public sources, 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 and the management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Shenyang Automobile and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied.

LETTER FROM OCTAL CAPITAL LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps, we have taken into account the following principal factors and reasons:

1. Background of the Group

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

2. Background of the Shenyang Automobile Group

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

LETTER FROM OCTAL CAPITAL LIMITED

3. Financial information of the Group

Review of financial performance

The table below sets out the audited financial information of the Group for the years ended 31st December, 2022, 31st December, 2023 and 31st December, 2024 (“**FY2022**”, “**FY2023**” and “**FY2024**”), extracted from the 2023 Annual Report and the 2024 Annual Report.

	FY2024 (Audited) <i>RMB'000</i>	FY2023 (Audited) <i>RMB'000</i>	FY2022 (Audited) <i>RMB'000</i>
Revenue	1,095,949	1,121,454	1,130,725
Gross profit	193,880	288,479	235,572
Gross margin	18%	26%	21%
Selling, general and administrative expenses	(582,239)	(477,521)	(471,732)
Share of results of associates	4,361,370	7,796,829	8,923,577 ^{Note}
Other income, gain or losses, net	<u>546,891</u>	<u>655,024</u>	<u>(1,544,645)</u>
Profit before tax	4,519,902	8,262,811	7,142,772
Income tax (expense)/credit	<u>(1,474,278)</u>	<u>(526,360)</u>	<u>4,058</u>
Profit for the year	<u><u>3,045,624</u></u>	<u><u>7,736,451</u></u>	<u><u>7,146,830</u></u>

Note: Apart from share of results of associates, the amount for FY2022 also includes share of results of a joint venture, BBA in which 25% equity interest was disposed by the Group to BMW Holding B.V. (the “**JV Disposal**”). The JV Disposal was completed in February 2022, and following the completion of the JV Disposal, the Company indirectly hold 25% equity interest in BBA which is currently an associate of the Company.

LETTER FROM OCTAL CAPITAL LIMITED

FY2023 vs FY2022

The Group recorded a revenue of approximately RMB1,121.5 million for FY2023, representing a decrease of approximately 0.8% as compared with that of approximately RMB1,130.7 million for FY2022. The slight decrease in revenue was mainly due to the fall in demand for the Group's automotive components for traditional fossil-fueled motor automobiles, partly offset by the increasing demand for the Group's electric and hybrid motor automotive components, driven by growing consumer preference for electric and hybrid motor automobiles. Despite the slight decrease in revenue, the Group's gross profit increased by approximately 22.5% from approximately RMB235.6 million for FY2022 to approximately RMB288.5 million for FY2023, with gross margin improving from 21% to 26%. The improvement in gross margin was mainly due to the decrease in the market price of aluminium, a major raw material for the Group's production, in 2023.

The improvement in other income, gains or losses of the Group by approximately RMB2,199.7 million from a loss of approximately RMB1,544.6 million for FY2022 to a gain of approximately RMB655.0 million for FY2023 was mainly due to (i) a net loss of RMB2,391.2 million resulted from the JV Disposal, primarily contributed by the one-off gain of approximately RMB4,896 million on disposal of partial equity interest in BBA, offset by the related tax on disposal of approximately RMB7,287 million recognized in FY2022; and (ii) deconsolidation of two subsidiaries, RBJAC and Shenyang Brilliance Jindong Development Co., Ltd. ("**Shenyang Jindong**"), contributing to one-off gains of approximately RMB622 million and RMB158 million, respectively, recognised in FY2022. RBJAC was deconsolidated effective from 12th January, 2022 (and reconsolidated into the Group following the completion of the Restructuring) following the acceptance of its Restructuring application by the Shenyang Intermediate People's Court (瀋陽市中級人民法院); and Shenyang Jindong, a wholly-owned subsidiary of the Company, commenced liquidation process on 26th July, 2022, resulting in the Company's loss of control over Shenyang Jindong on the same date.

The profit for the year of the Group increased by approximately 8.3% from approximately RMB7,146.8 million for FY2022 to approximately RMB7,736.5 million for FY2023. The increase was mainly attributable to (i) the improvement in other income, gains or losses from a loss of approximately RMB1,544.6 million for FY2022 to a gain of approximately RMB655.0 million for FY2023; (ii) a decrease in share of results of associates and a joint venture by approximately RMB1,126.7 million mainly due to less portion of result of BBA was shared to the Company following the JV Disposal; and (iii) the income tax credit of approximately RMB4.1 million for FY2022 turned into income tax expense of approximately RMB526.4 million for FY2023.

LETTER FROM OCTAL CAPITAL LIMITED

FY2024 vs FY2023

The Group recorded a revenue of approximately RMB1,095.9 million for FY2024, representing a decrease of approximately 2.3% as compared with that of approximately RMB1,121.5 million for FY2023. The decrease in revenue of the Group was mainly attributable to decrease in revenue from motor automobile financing due to increasing market competition, partly offset by the increase in sales of automotive components due to continuing increased orders from electric and hybrid motor automobile manufacturers and launch of new non-BMW automobiles beginning in FY2024. The Group's gross profit decreased significantly by approximately 32.8% from approximately RMB288.5 million for FY2023 to approximately RMB193.9 million for FY2024, with gross margin declining from approximately 26% to approximately 18%. The decrease in gross margin was mainly due to increase in cost of raw materials such as aluminum during FY2024 and the decrease in margin for the motor automobile financing due to market competition.

The profit for the year of the Group decreased by approximately 60.6% from approximately RMB7,736.5 million for FY2023 to approximately RMB3,045.6 million for FY2024. The decrease was primarily attributable to (i) the decrease in share of results of associates by approximately RMB3,435.5 million mainly due to the result of the drop of performance of BBA, a major associate of the Company, with its decreased sales volume and increased dealer support fees; (ii) the increase in selling, general and administrative expenses by approximately RMB104.7 million mainly due to the increase in costs of advertising and promotion for the launch of new non-BMW automobiles of the Group by JSA and increase of general and administrative expenses as a result of reconsolidation of JSA; (iii) the decrease in other income, gains or losses by approximately RMB108.1 million mainly due to the decrease in interest income by approximately RMB252.3 million with decreased deposits and reduced interest rates; and (iv) the increase in income tax expense by approximately RMB947.9 million mainly due to the increase of withholding tax on higher dividend from a subsidiary for FY2024.

4. Reasons for and benefits of the 2025 Shenyang Automobile CCTs

The Group is engaged in the manufacture and sale of automobiles and automotive components and provision of auto financing service through its major operating subsidiaries. In particular, the manufacture and sale of certain models of non-BMW automobiles and automotive components by the Group was carried out by its subsidiary, JSA (formerly known as RBJAC), prior to the Restructuring. Following the Restructuring, the subsidiary originally named as RBJAC and now renamed as JSA was reconsolidated into the Group since 31st May, 2024 and continue to engage in the manufacture and sale of models of non-BMW automobiles, including minibuses and multi-purpose vehicles, and automotive components.

LETTER FROM OCTAL CAPITAL LIMITED

As a result of the Restructuring, the production operation of JSA had been suspended since May 2021 and the business operation of JSA had been suspended since January 2022. JSA had been working on recommencing operations and preparing for the resumption of production following the completion of its Restructuring at end of May 2024. As mentioned in the Letter from the Board, JSA has completed trial production of its automobiles in May 2025 and is in its progression to full production. As part of the recommencement of the business operation of JSA, the Group is also in the process of re-establishing the sales connection network domestically and overseas. The Company expects to build distribution channels by authorising official distributors to facilitate sales of automobiles manufactured by the Group. The Shenyang Automobile Group possesses established sales and distribution network in the PRC. The strategic continuous cooperation with the Shenyang Automobile Group, in particular following JSA's official recommencement of its production lines, will enable the Group to leverage on the network of the Shenyang Automobile Group and is in line with the long-term development strategy of the Group, and is conducive to expanding the sales channel of the Group both domestically and overseas, enhancing the Group's sales volume, and facilitating the Group's long-term business development.

We noted that actual monthly sales transaction to the Shenyang Automobile Group increased from approximately RMB1.6 million for the one month period ended 31st December, 2024 to monthly average of approximately RMB4.3 million for the four-month period ended 30th April, 2025 (“**4M2025**”), achieving a high growth rate of approximately 170.2%. With the increasing production capacity of JSA, expansion of sales and distribution channels to downstream customers would be important for absorbing the manufactured automobiles from its fast increasing production capacity.

We have obtained the list of models expected to be sold by JSA to the Shenyang Automobile Group under the 2025 Shenyang Automobile CCTs. We noted that JSA will primarily sell light commercial vehicles (“**LCV**”), especially medium-sized LCV, to the Shenyang Automobile Group. These medium-sized LCV models include three newly launched models of electric light commercial vehicles (“**E-LCV**”). As mentioned in the section headed “3. Financial Information of the Group” of this letter, there is growing consumer preference for electric and hybrid automobiles, evidenced by increasing orders for the Group's electric and hybrid automotive components. The Group prepared a vehicle sales analysis (the “**Vehicle Sales Analysis**”) based on insurance registration data, which is a standard metric for measuring actual automobile sales in automobile industry in the PRC, sourced from paid research services provided by Beijing Tongda Youdao Consulting Co., Ltd.* (北京通達有道諮詢有限公司), a consulting company serving leading automobile manufacturers. According to the Vehicle Sales Analysis, medium-sized E-LCV sales in the PRC grew at an annual rate of approximately 198.3%, 35.5% and 110.9% in FY2022, FY2023 and FY2024, respectively, contributing a compound annual growth rate of approximately 104.5% over the four years from approximately 27,000 models in 2021 to approximately 231,000 models in 2024. Notably, the penetration rate of medium-sized E-LCV has reached approximately 78.6% in the PRC in 2024, indicating that medium-sized E-LCVs contribute significantly to overall medium-sized LCV sales. Having well-distributed medium-sized E-LCV offerings is therefore essential to maintaining the Group's market position. The collaboration with the Shenyang Automobile Group leverages their established sales and distribution channels, helping the Group expand market exposure for its newly launched electric models. This partnership allows the Group to develop a product mix aligned with market trends, positioning it to capture opportunities in the rapidly growing electric automobile market, particularly in the E-LCV segment, thereby securing a competitive position amid shifting market dynamics.

LETTER FROM OCTAL CAPITAL LIMITED

In view of the above, we concur with management of the Company that the strategic continuous cooperation with the Shenyang Automobile Group, in particular following JSA's official recommencement of its production lines, will enable the Group to leverage on the network of the Shenyang Automobile Group which is in line with the long-term development strategy of the Group, and is conducive to expanding the sales channel of the Group both domestically and overseas, thereby enhancing the Group's sales volume and facilitating the Group's long-term business development.

As mentioned in the Letter from the Board, JSA has also recently recommenced the trial production of materials and automotive components. Prior to the Restructuring, the Group had been acquiring raw materials and automotive components from Huachen and its associates for processing into core automotive components for use in production of automobiles and Huachen had been acquiring specially designed automotive components from the Group for use in its after sales services. Following the official recommencement of JSA's production of materials and automotive components in the second quarter of 2025, the Group will progressively reduce acquiring raw materials and automotive components from external suppliers (including the Shenyang Automobile Group) and focus on in-house production by JSA. As a distributor of JSA's automobiles, it is anticipated that the Shenyang Automobile Group will resume acquisition of materials and/or automotive components from the Group for use in after-sales services, which will provide additional source of income for the Group.

Having considered that (i) the strategic collaboration with the Shenyang Automobile Group provides JSA with immediate access to established sales and distribution networks as it resumes operations after the Restructuring; (ii) monthly sales transactions to the Shenyang Automobile Group have demonstrated significant growth of approximately 170.2% from the amount for one month ended 31st December, 2024 to the monthly average amount for 4M2025; (iii) the partnership enables JSA to effectively market its newly launched medium-sized E-LCV models in a rapidly expanding segment of medium-sized E-LCV models where the segment had grown with a compound annual growth rate of approximately 104.5% over the four years from approximately 27,000 models for the year ended 31st December, 2021 to approximately 231,000 models in FY2024 and market penetration rate of approximately 78.6% in FY2024; (iv) the arrangement creates additional revenue streams through the supply of automotive components to the Shenyang Automobile Group; and (v) the cooperation aligns with the Group's long-term strategy to expand both domestic and international sales channels, we are of the view that the 2025 Shenyang Automobile CCTs are in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

5. Terms of the 2025 Sales Framework Agreements

(1) The 2025 Automotive Components Sales Framework Agreement

On 20th May, 2025, the Company and Shenyang Automobile entered into the 2025 Automotive Components Sales Framework Agreement in relation to the sale of materials and/or automotive components by members of the Group to members of the Shenyang Automobile Group.

The principal terms of the 2025 Automotive Components Sales Framework Agreement are set out as follows:

Vendor:	The Group
Purchaser:	The Shenyang Automobile Group
Subject:	Materials and/or automotive components
Term:	20th May, 2025 to 31st December, 2026
Pricing policy:	The materials and/or automotive components are produced exclusively for use on automobiles produced by the Group. The pricing for each sale of the materials and/or automotive components to the Shenyang Automobile Group shall be determined after arm's length negotiation between members of the Group and the relevant members of the Shenyang Automobile Group by reference to the official prevailing market price of the materials and/or automotive components determined by the Group at the material time.

LETTER FROM OCTAL CAPITAL LIMITED

The Company has a standardised pricing procedure for its materials and/or automotive components. JSA's sales department will initially formulate a recommended price based on the cost of the materials and/or automotive components plus a proposed profit margin of not less than 16%. The proposed profit margin is determined with reference to historical sales data including the gross profit margin of the materials and/or automotive components. The finance department will then review and evaluate pricing profitability based on expected cost structure before giving its final approval. The final prices of the materials and/or automotive components determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group. This mechanism ensures that the prices offered to the Shenyang Automobile Group will be no more favourable than the prices offered to Independent Third Party purchasers.

There is no historical transaction amount of the transactions contemplated under the 2025 Automotive Components Sales Framework Agreement.

(2) The 2025 Automobiles Sales Framework Agreement

On 20th May, 2025, the Company and Shenyang Automobile entered into the 2025 Automobiles Sales Framework Agreement in relation to the sale of automobiles by members of the Group to members of the Shenyang Automobile Group.

The principal terms of the 2025 Automobiles Sales Framework Agreement are set out as follows:

Vendor:	The Group
Purchaser:	The Shenyang Automobile Group
Subject :	Automobiles
Term:	20th May, 2025 to 31st December, 2026

LETTER FROM OCTAL CAPITAL LIMITED

Pricing policy for automobiles:

The pricing for each sale of the automobiles to the Shenyang Automobile Group shall be determined after arm's length negotiation between members of the Group and the relevant members of the Shenyang Automobile Group by reference to the official prevailing market price of the automobiles determined by the Group at the material time.

The Company has a standardised pricing procedure for launch of automobiles. JSA's marketing team will initially conduct market research to evaluate marketable prices based on current marketing strategy, prevailing market conditions, and historical sales data. The market research will include analysis on competitors' pricing and product features for at least three competitor models of similar technical specifications such as number of seats and engine displacement as well as their market position. The finance department then evaluates pricing profitability based on expected cost structure before management committee (described below) giving its final approval. Other departments such as marketing department, sales department, research and development department will also participate in the evaluation in marketing and technical aspects. A dedicated management committee responsible for JSA's major economic decisions will then review and approve the proposed pricing. The final prices of the automobiles determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group. This mechanism ensures that the prices offered to the Shenyang Automobile Group will be no more favourable than the prices offered to Independent Third Party purchasers.

Sales of automobiles were made by the Group to the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement in the aggregate amount of approximately RMB17,323,000 between 1st January, 2025 to 19th May, 2025.

Following the completion of JSA's trial production of its automobiles in mid-May 2025 and the entering into of the 2025 Automobiles Sales Framework Agreement, all sales of automobiles to the Shenyang Automobile Group will be made in accordance with the terms of the 2025 Automobiles Sales Framework Agreement only.

LETTER FROM OCTAL CAPITAL LIMITED

Review on terms of the 2025 Sales Framework Agreements

We understand that (i) the automotive components are specifically designed, produced and sold to the Shenyang Automobile Group for its use in after-sales services; and (ii) JSA will sell automobiles to the Shenyang Automobile Group to make use of the distribution network of the Shenyang Automobile Group.

Save as specifically provided, the payments under the 2025 Sales Framework Agreements shall be normally 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 and subject to assessments based on the payment policies of the relevant vendor at the material time.

As regards the pricing policy for the transactions contemplated under the 2025 Sales Framework Agreements, the Company advised that there is a standardised pricing procedure for launch of products. For automobiles, JSA's marketing team conducts market research to evaluate marketable prices based on current marketing strategy, prevailing market conditions, and historical sales data. The market research will include analysis on competitors' pricing and product features for at least three competitor models of similar technical specifications such as number of seats and engine displacement as well as their market position. We consider the market research procedure to be adequate as the approach incorporates comprehensive analysis of both product features and pricing of comparable competitors while considering their market position, ensuring the selected competitor models are representative and enabling the Company to maintain commercial competitiveness in response to market dynamics under the pricing procedure. The JSA's finance department then evaluates pricing profitability based on expected cost structure before management committee (described below) giving its final approval. Other department such as marketing department, sales department, research and development department will also participate in the evaluation in marketing and technical aspects. Subsequently, a dedicated management committee responsible for JSA's major economic decisions reviews and approves the proposed pricing. The final prices of the product determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group.

For materials and/or automotive components, JSA's sales department will initially formulate a recommended price based on the cost of the materials and/or automotive components plus a proposed profit margin of not less than 16%. The proposed profit margin is determined with reference to historical sales data including the gross profit margin of the materials and/or automotive components. We understood from the Company that historically, the Company had made average gross margin of 37% and 30% from after-sales components during the years ended 31st December, 2020 and 2021, respectively, prior to the Restructuring. We have compared the minimum margin target and the abovementioned historical gross margins of the

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Group to the credit rating methodology for automobile component industry effective from 22nd April, 2025 published by Golden Credit Rating International Co., Ltd., a major credit rating agency in the PRC recognised by National Development and Reform Commission. The methodology has ranked gross margins with over 20% to be indicators of, over eight tiers of operational efficiency, the second tier or first tier, and the range of 15% to 20% to be the third tier. We consider the minimum margin target of 16% to be fair and reasonable as it aligns with the indicators for healthy operational efficiency. Furthermore, we have reviewed on a random basis three sales transactions of automotive component in the year ended 2021, during which the minimum margin target was also 16%, and noted that all three transactions are with gross margin above 16%, demonstrating the effectiveness of the pricing policy to maintain sales transactions of automotive components at margin levels above minimum margin target. The finance department will then review and evaluate pricing profitability based on expected cost structure before giving its final approval. The final prices of the materials and/or automotive components determined through the pricing procedure will be applied to all customers including Independent Third Party customers and the Shenyang Automobile Group.

As part of the Company's internal policy and to ensure the Group's pricing policy is reflective of and aligns with actual market circumstances, members of the Group will, on a semi-annual basis, compare, among other things, the prevailing market prices of similar goods in the market against the prevailing market prices of its products. A database of market data and historical selling prices and records of the Group's products will be maintained for future references and comparisons. Where the semi-annual comparison reveals significant discrepancies between the actual prices of the Group's products and the prevailing market prices of similar goods in the market, adjustments to the standardised prices of the Group's products will be made in order to align with actual market circumstances, subject to the evaluation and approval process of the relevant departments of the members of the Group as disclosed in the paragraph headed "Pricing policy" in the sub-section headed "(1) *The 2025 Automotive Components Sales Framework Agreement*" and the paragraph headed "Pricing policy for automobiles" in the sub-section headed "(2) *The 2025 Automobiles Sales Framework Agreement*" in this letter. This mechanism ensures selling prices offered to the Shenyang Automobile Group will be no favourable than those to Independent Third Parties. We have obtained a set of documents for such standardised pricing procedure for automobiles performed in April 2025, which include research report, pricing approval form and minutes of management committee, we noted that the final price determination was supported by market research analysing competitor pricing and product features for model of similar specification and market position, and underwent a review and approval process involving the finance, marketing and sales departments, with final approval obtained from the management committee.

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To assess effectiveness of the pricing policy, we have obtained and reviewed three samples of sales transaction for the automobile product on a random basis between the Group and Independent Third Party customers for the five-month period ended 31st May, 2021, the last five-month period of normal production operation of the Group prior to the Restructuring (the “**Historical Period**”). The Historical Period was selected as (i) it represents the last period of normal production operations prior to the Restructuring since the Group had recommenced production since December 2024 and operated under trial production until May 2025 with a pricing policy based on cost and internal margin targets rather than prevailing market prices; and (ii) the pricing policy and payment terms for sales transaction for the automobile products during the period were the same as those in the 2025 Automobiles Sales Framework Agreement. The three selected samples are sales transactions of Haishiwang flat-roof 9-seater in June 2021, Haishiwang flat-roof 6-seater in March 2021, and Haishiwang high-roof 6-seater in February 2021. We have compared the unit prices offered to Independent Third Parties in the three sales transactions against the actual transactions with the Shenyang Automobile Group for the same model in the same month. We noted that the unit prices offered to the Independent Third Parties under the sales transactions of the same type of the automobile product in the Historical Period are the same as the respective unit prices offered to the Shenyang Automobile Group and consistent with the internal standard price as approved by management committee under the standardised pricing procedure. Based on the demonstrated effectiveness of the Group’s pricing policy, we consider the pricing policy of the Group is effective and sufficient for ensuring the sale of the automobile product conducted by the Group to the Shenyang Automobile Group are on pricing terms no less favourable than those can be obtained from Independent Third Parties.

Regarding payment terms under the 2025 Sales Framework Agreements, our review of three random sales transactions from each of Independent Third Parties and the Shenyang Automobile Group during the Historical Period revealed that Independent Third Parties settled by the issuance of a note payable with credit terms of three months (approximately 90 days which is consistent to the Group’s usual credit term policy), while the Shenyang Automobile Group was required to pay cash upon delivery which are payment terms less favourable than those offered to Independent Third Parties.

Based on our assessment of the Group’s pricing policy and payment terms, including comparative analysis of selling prices and payment requirements between Independent Third Parties and the Shenyang Automobile Group, we conclude that the Group’s policies effectively ensure that sales arrangements with the Shenyang Automobile Group are on terms no less favourable than those can be obtained from Independent Third Parties.

LETTER FROM OCTAL CAPITAL LIMITED
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6. 2025 Non-Exempt Proposed Caps

The following table sets out the 2025 Non-Exempt Proposed Caps for the financial years ending 31st December, 2025 (“FY2025”) and 31st December, 2026 (“FY2026”):

	2025 Non-Exempt Proposed Caps	
	For the period commencing 20th May, 2025 and ending 31st December, 2025 <i>(RMB'000)</i>	For the financial year ending 31st December, 2026 <i>(RMB'000)</i>
2025 Shenyang Automobile CCTs		
Sale of automobiles by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement	121,656	205,043
Sale of materials and/or automotive components by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automotive Components Sales Framework Agreement	210	420
Total	121,866	205,463

LETTER FROM OCTAL CAPITAL LIMITED

As discussed in the Letter from the Board, the proposed annual caps for the sale of automobiles by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement (the “**Automobiles Sales**”) are determined with reference to the following factors: (i) the terms of the 2025 Automobiles Sales Framework Agreement; (ii) the progress of the production of JSA in the first quarter of 2025 and the anticipated progress of the post-trial production of JSA for the two years ending 31st December, 2026, currently with an estimated annual production of approximately 60,000 automobiles; (iii) the historical amount of sales of automobiles made between 1st January, 2025 to 19th May, 2025 in the amount of approximately RMB17,323,000 pursuant to the Automobiles Sales Framework Agreement; (iv) the increment in the sale prices of automobiles from 20th May, 2025 pursuant to the 2025 Automobiles Sales Framework Agreement and all sales of automobiles by members of the Group to members of the Shenyang Automobile Group from 20th May, 2025 will be made in accordance with the terms of the 2025 Automobiles Sales Framework Agreement only; (v) the estimated 1,400 units and 2,500 units of automobiles projected to be sold to the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement for the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026, respectively, based on estimated demand from the Group’s downstream sub-distributors, as communicated between distributors (including the Shenyang Automobile Group) and their downstream sub-distributors; (vi) the estimated price per unit of automobiles to be sold during the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026; (vii) the anticipated gradual increase in production capacity and automobile orders post JSA’s trial production stage commenced in mid-May 2025; (viii) the scheduled launch of five light commercial vehicles, especially medium sized electric light commercial vehicles by JSA by end of 31st December, 2025; and (ix) an additional buffer of 5% to cater for any increase in the transaction volume.

Meanwhile, the proposed annual caps for the sale of materials and/or automotive components by members of the Group to members of the Shenyang Automobile Group pursuant to the 2025 Automotive Components Sales Framework Agreement (the “**Components Sales**”) are determined with reference to the following factors: (i) the terms of the 2025 Automotive Components Sales Framework Agreement; (ii) the progress of the production of JSA in the first quarter of 2025 and the anticipated progress of the post-trial production to be conducted by JSA in the second quarter of 2025, currently with an estimated annual production of approximately 60,000 automobiles; (iii) the recommencement of production of materials and automotive components for sale from the second quarter of 2025; (iv) the 246 units of automobiles sold to the Shenyang Automobile Group pursuant to the Automobiles Sales Framework Agreement and the estimated 1,400 units and 2,500 units of automobiles projected to be sold to the Shenyang Automobile Group pursuant to the 2025 Automobiles Sales Framework Agreement for the eight months ending 31st December, 2025 and the financial year ending 31st December, 2026, respectively; (v) the projected number of units of each type of materials and automotive components and their estimated demand from the Shenyang Automobile Group for use in its after sales services determined primarily based on the number of automobiles sold to the Shenyang Automobile Group pursuant to the Automobiles Sales Framework Agreement or to be sold pursuant to the 2025 Automobiles Sales Framework Agreement; (vi) the estimated materials and automotive components sales for first-year after sales services of approximately RMB300 per automobile and second-year and third-year after sales services averaging approximately RMB220 per automobile; and (vii) an additional buffer of 5% to cater for any increase in the transaction volume.

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As discussed with the management of the Company, we understood that the proposed caps for the Automobiles Sales for FY2025 and FY2026 were estimated based on the total transaction amount under a sales plan (the “**Sales Plan**”) for the Automobiles Sales for the corresponding years. The Sales Plan was prepared based on estimated demand from the Group’s downstream sub-distributors, as communicated between distributors (including the Shenyang Automobile Group) and their downstream sub-distributors. The total transaction amount under the Sales Plan was calculated by multiplying the estimated price per unit of the individual automobile products by the corresponding estimated sales quantity of such automobile products.

In evaluating the reasonableness of the proposed caps in respect of the Automobiles Sales under the 2025 Non-Exempt Proposed Caps, we have separately assessed the estimated quantity (the “**CCT Quantity**”) and price per unit of automobiles for the Automobiles Sales under the Sales Plan (the “**CCT Selling Price**”) and the additional buffer of 5%.

We have reviewed and compared the CCT Quantity and the historical quantity of automobiles sold to the Shenyang Automobile Group during the period of 4M2025 and the one-month period ended 31st December, 2024 (the “**Historical Quantity**”). We observed that the Historical Quantity is solely contributed by a new model launched in December 2024 (the “**Existing Model**”) while the CCT Quantity is to be contributed by both the Existing Model and five new models to be launched in the eight-month period ending 31st December, 2025 (“**8M2025**”) under the Sales Plan. It is expected that there will not be new models to be launched in FY2026 according to the current Sales Plan.

We noted that the monthly average CCT Quantity for 8M2025 of approximately 175 units (total CCT Quantity for the eight-month period being 1,400 units) represents a significant increase of approximately 255.7% as compared with the monthly average Historical Quantity of approximately 49 units (total Historical Quantity for the five-month period being 246 units). We consider this substantial growth rate was a result of the low monthly average Historical Quantity of 49 units serving as the base for comparison during the initial resumption phase of operation.

We have assessed the capability of JSA’s six new models to attract new customers in their first year of launch in FY2025 by reviewing the historical performance of F50 and Haishiwang, the most recent two new LCV models launched for mass production prior to the Restructuring. We understood that six new models are expected to contribute individual sales quantities of ranging from 200 units to 3,100 units to customers including Independent Third Parties and the Shenyang Automobile Group during their first year of official launch. Upon comparison, we noted that F50 and Haishiwang contributed to sales quantities of more than 4,000 units and 7,600 units in their first year of official launch.

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After the early production resumption stage in FY2025, the monthly average CCT Quantity for FY2026 of approximately 208.3 units (total CCT Quantity for the twelve-month period being 2,500 units) represents a relatively mild growth rate of approximately 19.0% as compared with monthly average estimated quantity of approximately 175.0 units (total CCT Quantity for the eight-month period being 1,400 units) for 8M2025. We consider that such mild growth rate is consistent to the management's expectation for stabilising production scale following an accelerated recovery, during which all six scheduled new products (including the Existing Model) are introduced to the market in 8M2025 and no new model expected to be launched in FY2026.

Besides, to further assess the growth rate of 19%, we have researched the recent wholesale quantity of the LCV segment in the PRC (represented by combined wholesale quantities of vehicle types categorised as MPV and light commercial passenger vehicles in the market analysis by China Automobile Dealers Association (CADA)) (the "**Wholesale Quantity**") for comparing the growth rate of 19% for FY2026 with the latest market performance for automobile manufacturers. We noted that the Wholesale Quantity started to grow fast since November 2024. In November 2024, the Wholesale Quantity reached approximately 139,000 units as compared to approximately 122,000 units in November 2023, reflecting a 14% growth. In December 2024, the Wholesale Quantity reached approximately 177,000 units, as compared to approximately 139,000 units in December 2023, reflecting a 27% growth. Similarly, during the first quarter of 2025, the Wholesale Quantity rose by 43%, increased to 361,000 units from approximately 253,000 units in first quarter of 2024. This consistent upward movement, represented by the recent growth rates from 14% to 43%, indicates that 19% growth rate for FY2026 is in line with the market trend.

We also consider this 19% growth rate to be a conservative estimate for the first full year of normal production, considering that automobile products are marketed by JSA of which its Jinbei brand has an established market position in the PRC automobile sector. Prior to the Restructuring, JSA was a major player in LCV industry in the PRC. According to the Company's data, Jinbei brand maintained its leading position in China's LCV segment for 19 consecutive years from 1997 to 2015. At its peak, Jinbei brand commanded over 75% market share in the medium-sized LCV market and served more than 2 million users. According to a research released by China Association of Automobile Manufacturers, Jinbei brand ranked first in passenger commercial vehicle sales volume in 2015, which is consistent with our understanding of its position as a major player in the automobile industry. We also understand that Jinbei brand's technical capabilities are supported by its longstanding collaboration with Toyota, the leading automobile manufacturer, since 1991.

We are of view that the Group's growth potential and foundation for market expansion is supported by several factors including its extensive network of existing customers and repair shops, established reputation for reliability and safety (as evidenced by the certain automobile products are for governmental use such as police vehicles and ambulances) and the favourable market trend with fast growth in Wholesale Quantity.

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Furthermore, we assessed the allocation of sales quantities under the Sales Plan. We noted that the estimated quantity of automobile products to be sold to the Shenyang Automobile Group of 1,626 units for FY2025 represent 14% of total sales quantity for FY2025 (which include sales to both Independent Third Parties and the Shenyang Automobile Group), being 12,000 units under the Sales Plan (the “**Total Quantity**”). This allocation of sales quantity of automobile products is considered reasonable, as Independent Third Parties are expected to contribute over 80% of Total Quantity, demonstrating a diversified customer base without heavy reliance on the Shenyang Automobile Group.

Finally, we compared the Total Quantity under the Sales Plan to historical data, production capacity and market benchmarks. We noted that the historical quantity of automobiles sold by JSA in the financial year ended 31st December, 2020 (“**FY2020**”), the last full financial year before its suspension of production, is 26,184 units. Additionally, the annual production of JSA is currently estimated at approximately 60,000 automobiles. We further noted that the Wholesale Quantity for FY2024, as a reference to the market size for sales by automobile manufacturers in the PRC, was 1.3 million units.

Based on JSA’s (i) expansion in product portfolio which involves the Existing Model and five new models to be launched in 8M2025 and contributes to the CCT Quantity in FY2025 and FY2026; (ii) historical performance of JSA’s new models; (iii) alignment of the growth of CCT Quantity in FY2026 with the current upward market trend in the Wholesale Quantity; (iv) Jinbei brand’s established market position in the PRC; (v) diversified sales allocation with over 80% of sales expected from Independent Third Parties; and (vi) the Total Quantity of 12,000 units for FY2025, as compared to historical sales of JSA, current production capacity and market size benchmark, we consider that the sales targets under the Sales Plan to be reasonable and achievable.

Taking into account the above consideration, we are of the view that the CCT Quantity in determining the 2025 Non-Exempt Proposed Caps is justifiable.

To assess the reasonableness of the CCT Selling Price, we have compared the estimated price of the Existing Model for FY2025 under the Sales Plan against its standard price approved by the management committee under the standardised pricing procedure and our comparison showed that the estimated price and approved price are the same. We have also selected three models to be launched in 8M2025 under the Sales Plan on a random basis and obtained recent unit prices of competitor models in FY2025 provided by distributor customers of the Group where the competitor models are of similar target end-customer and specifications. We noted that the prices per unit for selected automobile models are the same as those of the competitor models.

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We have also compared the CCT Selling Price under the proposed caps for FY2026 against that for 8M2025. We noted that the estimated prices for models of fossil fuel powered automobiles remained stable due to less price competition by competitors given their mature product lifecycle in the automobile industry, while there are estimated price reductions for models of electric powered automobiles taking into consideration the potential industry-wide price adjustments as a result of the current competition in the electric powered automobile market to secure market position in the fast growing sector. According to a market report by CADA, there are twenty eight electric vehicle models in the PRC decreased their selling prices during the first two-month period of FY2025, where the magnitude of decrease in average selling prices reached 17%, which is in line with the Company's estimation of price reductions for potential industry-wide price adjustments in electric models. Having considered that there is continuing shift in consumer preference towards new energy vehicles away from fossil fuel powered automobiles, we concur with the management's view that maintaining stable pricing for fossil fuel vehicles while implementing price reductions for electric vehicles is reasonable to reflect current market dynamics and maintain competitiveness.

As regards the proposed caps for the Components Sales under the 2025 Non-Exempt Proposed Caps, we understood from the management of the Company that the estimated transaction amounts were determined primarily based on the projected number of automobiles to be sold in FY2025 and FY2026 and the estimated quantity and price of the required components for after-sales services.

In setting the proposed caps of the Components Sales for FY2025, based on the Company's experience and the Company's understanding on the estimated demand for the automotive components by the Shenyang Automobile Group, the Company considered the projected number of automobiles to be sold under the Sales Plan for FY2025 that will require repair and maintenance, and the aggregate sales amount of the after-sales components for each automobile of approximately RMB300.

As for the proposed caps of the Components Sales for FY2026, based on the Company's experience and the Company's understanding on the estimated demand by the Shenyang Automobile Group, the projected number of automobiles to be sold under the Sales Plan for FY2026 that will require 100% coverage of after-sales components with aggregate sales amount of the after-sales components for each automobile of approximately RMB300, the Company also took into consideration that 65% of the number of automobiles covered by after-sales services in FY2025 will continue to require automotive components for repairments, with each automobile contributing to approximately RMB220 in components sales.

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Based on our review of the Sales Plan, we noted that the proposed caps of the Components Sales across FY2025 and FY2026 demonstrated consistent patterns, driven by after-sales component demand for automobile products to be sold to the same distributor under the Shenyang Automobile Group, with first-year components sales expected to maintain a stable value of approximately RMB300 per automobile. Upon inquiry, we understand this pattern reflects the distinct business models of the two distributors under the Shenyang Automobile Group. One of the two distributors operates a retail model offering complimentary first-year maintenance service, which historically generates higher component demand compared to subsequent years. The retail-focused distributor is expected to contribute sales to JSA of 700 units of automobiles and 1,000 units of automobiles during 8M2025 and FY2026, respectively. The another distributor will purchase automobile products for vehicle modifications into specialised vehicles such as police vehicles and ambulances without providing after-sales services to its customers. We understood that the end-customers of specialised vehicle typically seek repairs at repair shops of Independent Third Parties across the PRC due to their need for geographically convenient after-sales service, given that specialised vehicle distributors maintain limited service branch networks and wide acceptance of JSA's automobile products among repair shops across the PRC. Since the part of end-customers purchasing specialised vehicles will source after-sales component through Independent Third Parties, it is reasonable that no components sales are expected to be contributed by the distributor of specialised vehicles. According to the Company's internal track record, around 80% of automobile products covered by the after-sales services would require automotive components for first-year maintenance, and around 60% to 65% of such automobile products require components for second-year maintenance. Therefore, we consider the projected coverage rates of 100% for first-year and 65% for second-year maintenance represent prudent estimates of after-sales service requirements. The estimated components sales per automobile for first-year and second-year after-sales services are also based on the Company's internal track record of components sales. Under the internal track record, the average components sales per vehicle is RMB250, with first-year maintenance requiring approximately RMB300 per vehicle and second-year and third-year maintenance averaging approximately RMB220 per vehicle, which is consistent to the Company's estimation of components sales per automobile for the proposed caps across FY2025 and FY2026.

Based on the above analysis, we consider that the basis for setting the 2025 Non-Exempt Proposed Caps (including the respective proposed caps for Automobiles Sales and Components Sales) for each of the two years ending 31st December, 2026 are fair and reasonable.

7. Internal control procedures in respect of 2025 Shenyang Automobile CCTs

With reference to the Letter from the Board, we noted that the Company has established the following internal control measures to ensure that the transactions entered into under the 2025 Sales Framework Agreements will be conducted in accordance with the pricing policies of the Group and the respective terms of such agreements are on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms shall not be less favourable than the terms which can be obtained from an Independent Third Party for the provision/purchase of similar goods or services so far as the Company is concerned. Such internal control measures mainly include the following:

- (a) prior to the entering into each transaction under the 2025 Shenyang Automobile CCTs, the final pricing and other major terms of the 2025 Shenyang Automobile CCTs are required to be approved by the senior management of the various departments involved such as the department head, chief financial officer and/or the general manager of the relevant members of the Group as the final checks and balances measure to ensure the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;
- (b) the managers of the relevant members of the Group will review the terms of the executed transactions undertaken pursuant to the 2025 Sales Framework Agreements on a monthly basis to ensure the prices for the goods provided or to be provided thereunder are reflective of the pricing policies of the Group and in accordance with the terms of the 2025 Sales Framework Agreements;
- (c) the finance department of the Company will review, on a monthly basis, the transaction amount under 2025 Sales Framework Agreements and submit such information for the management's review, including but not limited to the historical transaction amount, to ensure that the relevant transactions are carried out in accordance with the terms of the 2025 Sales Framework Agreements and will not exceed the respective annual caps. In the event that the utilisation rate of the relevant 2025 Non-Exempt Proposed Caps reaches 90%, the Board will be informed for considering if the relevant 2025 Non-Exempt Proposed Caps shall be revised and, if so, the Company will further comply with relevant requirements under the Listing Rules; and
- (d) the auditors of the Company and the independent non-executive Directors will conduct annual review on the transactions entered into under the 2025 Sales Framework Agreements in accordance with the Listing Rules.

LETTER FROM OCTAL CAPITAL LIMITED

We noted from each of the annual reports for the financial years ended 31st December, 2024 (the “**Annual Reports**”) that the independent non-executive Directors have reviewed and confirmed that the internal control procedures put in place by the Company are adequate and effective and the continuing connected transactions, including the transactions under the Automobiles Sales Framework Agreement started since 2024 (the “**Previous CCTs**”), have been conducted according to Chapter 14A of the Listing Rules. We have also obtained and reviewed copies of the letters from the Company’s auditors for the annual review on the Previous CCTs and noted that there was no inconsistency between the disclosure in the Annual Reports and the letters from the Company’s auditors.

To further assess whether the above internal control measures are in place and sufficient for monitoring the Previous CCTs, we have obtained and reviewed the internal control procedures detailing the guidance and policies for conducting the Previous CCTs and the monthly report of the relevant transactions and noted that the Company has conducted monthly review on the extent of utilisation of the approved caps under the Previous CCTs and the transaction amounts are within the said proposed caps for the Previous CCTs and the abovementioned internal control measures were in place for the Previous CCTs.

Taking into account the internal control procedures in place in respect of the 2025 Shenyang Automobile CCTs, in particular (i) the limitation in transaction amount by way of setting the 2025 Non-Exempt Proposed Caps; (ii) the compliance with all other relevant requirements under the Listing Rules (which include the annual review and/or confirmation by the independent non-executive Directors and auditors of the Company on the actual execution of the Previous CCTs); and (iii) the Group’s historical internal control procedural records for the Previous CCTs, we consider that the Company has taken appropriate measures to govern the Group in carrying out the 2025 Shenyang Automobile CCTs thereby safeguarding the interests of the Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we concur with the Directors’ view that (i) 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps are carried out in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the basis of determining the 2025 Non-Exempt Proposed Caps in respect of the 2025 Shenyang Automobile CCTs is fair and reasonable.

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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 resolutions to approve the 2025 Shenyang Automobile CCTs and the 2025 Non-Exempt Proposed Caps.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Alan Fung **Louis Chan**
Managing Director *Director*

Note:

Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 30 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

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**Interests of Directors and Chief Executives of the Company**

As at the Latest Practicable Date, none of the Directors, chief executives of the Company or their respective close associates had any interests and 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/she was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as it is known to the Directors and chief executives of the Company, the following persons, other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Long Position	Number and class of Shares held/ Approximate shareholding percentage (Note 1)				Lending Pool	%
		%	Short Position	%			
Shenyang Sanshi (Note 2)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Huachen (Note 3)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Shenyang Automobile (Note 3)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Shenyang Cairui Automobile Industry Development Partnership Enterprise (Limited Partnership) (“Shenyang Industry Partnership”) (Note 3)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Liaoning Financial Holding Group Co., Ltd. (“Liaoning Financial”) (Note 3)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Shenyang Cairui Investment Co., Ltd (“Shenyang Cairui Investment”) (Note 4)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Shenyang Shengjing Financial Holding Investment Group Co., Ltd (“Shenyang Shengjing”) (Note 4)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Shenyang Metro Co.,Ltd. (“Shenyang Metro”) (Note 4)	1,512,875,802 ordinary Shares	29.99	-	-	-	-	
Liaoning Provincial Transportation Investment Group Co. Ltd. (“LPTI”) (Note 5)	600,000,000 ordinary Shares	11.89	-	-	-	-	
Liaoning Transportation Investment Co., Ltd. (“LTI”) (Note 5)	600,000,000 ordinary Shares	11.89	-	-	-	-	
First Beijing Investment Limited (“FBI”) (Note 6)	253,116,000 ordinary Shares	5.02	-	-	-	-	

Notes:

- (1) The percentage of shareholding is calculated on the basis of 5,045,269,388 Shares in issue as at the Latest Practicable Date.
- (2) According to the disclosure of interest notice filed by Shenyang Sanshi on 14th June, 2024, the 1,512,875,802 Shares in long position were held in the capacity as beneficial owner.
- (3) According to the disclosure of interest notice filed by Liaoning Financial on 14th June, 2024, Shenyang Sanshi is a direct wholly-owned subsidiary of Huachen, which is in turn a direct wholly-owned subsidiary of Shenyang Automobile. Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership, which is in turn indirectly owned as to 48.86% by Liaoning Financial. Each of Liaoning Financial, Huachen, Shenyang Automobile and Shenyang Industry Partnership are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 Shares in long position were held by each of Liaoning Financial, Huachen, Shenyang Automobile and Shenyang Industry Partnership in the capacity as corporate interest.
- (4) According to the disclosure of interest notices filed by Shenyang Shengjing and Shenyang Metro on 14th June, 2024, Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership, which is in turn owned as to 0.23% by Shenyang Cairui Investment and indirectly owned as to 48.86% by Shenyang Metro. Shenyang Cairui Investment is indirectly owned as to 50% by Shenyang Shengjing. Each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 Shares in long position were held by each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment in the capacity as corporate interest.
- (5) According to the disclosure of interest notice filed by LPTI on 9th July, 2020, LTI held direct interest in 600,000,000 Shares and is owned as to 83.68% by LPTI. Therefore, LPTI is deemed to be interested in the interest of LTI in the Company by virtue of the SFO. The 600,000,000 Shares in long position were held by LPTI in the capacity as corporate interest, and by LTI in the capacity as beneficial owner.
- (6) According to the disclosure of interest notice filed by FBI on 12th May, 2025, the 253,116,000 Shares in long position were held by FBI in the capacity as investment manager.

Save as disclosed above, as at the Latest Practicable Date, there was no other person so far as it is known to the Directors and chief executive of the Company, other than a Director or chief executive of the Company, as having an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or proposed Directors is a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

	Name of substantial shareholder of the Company	Position in the substantial shareholder of the Company
Mr. Zhang Yue	Shenyang Automobile	legal representative and chairman

4. DIRECTORS' INTERESTS IN ASSETS AND/OR ARRANGEMENT

As at the Latest Practicable Date:

- (a) none of the Directors or the chief executives of the Company had any direct or indirect interests in any assets which have been, since 31st December, 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors or the chief executives of the Company was materially interested, either directly or indirectly, in any subsisting contract or arrangement that was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered into any service contract (excluding agreements expiring or determinable by employers within one year without payment of compensation other than statutory compensation) with the Company or any member of the Group.

6. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Octal Capital Limited	a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with a copy of its letter and/or the reference to its name and its advice included in this circular in the form and context in which it respectively appears. A letter from the Independent Financial Adviser, dated the date of this circular, has been issued for the purpose of incorporation herein.

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding, direct or indirect, in any member of the Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial adviser had no direct or indirect interests in any assets which had since 31st December, 2024 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

7. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) had any competing interests in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.brillianceauto.com>) during the period of 14 days from the date of this circular:

- (a) the 2025 Non-Exempt CCTs Agreements;
- (b) the Automobiles Sales Framework Agreement;
- (c) the written consent from the Independent Financial Adviser referred to in the paragraph headed “Expert and Consent” in this circular;
- (d) the letter of recommendation from the Independent Board Committee as set out in this circular; and
- (e) the letter from the Independent Financial Adviser as set out in this circular.

10. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

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 Pheasant – Jasmine Room, 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Thursday, 17th July, 2025 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

1. “**THAT:**
 - (a) the entering into of the 2025 Automotive Components Sales Framework Agreement and the 2025 Automobiles Sales Framework Agreement (as defined and described in the circular of the Company dated 26th June, 2025 (the “**Circular**”), a copy of the Circular marked “A” together with a copy of the 2025 Automotive Components Sales Framework Agreement marked “B” and the 2025 Automobiles Sales Framework Agreement marked “C” are tabled before the meeting and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (b) the 2025 Non-Exempt Proposed Caps (as defined and described in the Circular) in respect of the proposed maximum annual monetary value of the transactions contemplated under the 2025 Automotive Components Sales Framework Agreement and the 2025 Automobiles Sales Framework Agreement for each of the financial years ending 31st December, 2025 and 31st December, 2026 be and are hereby approved; and

* *For identification purposes only*

NOTICE OF THE SPECIAL GENERAL MEETING

- (c) the director(s) of the Company be and are hereby authorised for and on behalf of the Company to, amongst other matters, sign, execute and deliver or to authorise the signing, execution and delivery of all such documents and to do all such things as they may in their absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the 2025 Automotive Components Sales Framework Agreement and the 2025 Automobiles Sales Framework Agreement and the transactions contemplated thereunder (including the 2025 Non-Exempt Proposed Caps) and to be in the interests of the Company.”

Yours faithfully
By Order of the Board
Brilliance China Automotive Holdings Limited
Lam Yee Wah Eva
Company Secretary

Hong Kong, 26th June, 2025

Registered Office:

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

Head Office and Principal Place of Business in Hong Kong:

Unit 3303, 33rd Floor
The Henderson
2 Murray Road, Central
Hong Kong

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.

NOTICE OF THE SPECIAL GENERAL MEETING

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 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 (i.e. at or before 9:00 a.m. on Tuesday, 15th July, 2025 (Hong Kong time)) 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 and in such event, the form of proxy will be deemed revoked.
5. The register of members of the Company will be closed from Monday, 14th July, 2025 to Thursday, 17th July, 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for the meeting is Monday, 14th July, 2025. Only shareholders of the Company whose names appear on the register of members of the Company on Monday, 14th July, 2025 or their proxies or duly authorised corporate representatives are entitled to attend and vote at the above meeting. In order to qualify for attending and voting at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m., Hong Kong time, on Friday, 11th July, 2025.
6. 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.

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