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POWER XINCHEN

新 晨 動 力

XINCHEN CHINA POWER HOLDINGS LIMITED

新 晨 中 國 動 力 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1148)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board announces that on 19 October 2017, Mianyang Xinchun, a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into the Facility Letters with the Lender.

It is an event of default under each of the Facility Letters that the percentage holding of each of certain controlling shareholders of the Company falls below certain threshold.

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of Xinchun China Power Holdings Limited (the “**Company**”) announces that on 19 October 2017, Mianyang Xinchun Engine Co., Ltd.* (綿陽新晨動力機械有限公司) (“**Mianyang Xinchun**”), a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into two banking facility agreements (the “**Facility Letter(s)**”) with a financial institution as lender (the “**Lender**”) for (i) a term loan facility of US\$36,000,000 (the “**Facility A**”); and (ii) a term loan facility of US\$12,000,000 (the “**Facility B**”), respectively. The Lender is an independent third party and not a connected person (as defined in the Listing Rules) of the Company.

The Facility A is repayable by six quarterly instalments, with the first instalment payable on the date falling 21 months after the date of drawdown and the last instalment payable on the date falling 36 months after the date of drawdown. As at the date of this announcement, the Facility A has not been drawdown. The Facility A will be used to refinance all outstanding indebtedness of the existing term loan facilities granted by the Lender to Mianyang Xinchun.

The Facility B is repayable by six quarterly instalments, with the first instalment payable on the date falling 21 months after the date of drawdown and the last instalment payable on the date falling 36 months after the date of drawdown. As at the date of this announcement, the Facility B has not been drawdown. The Facility B will be used to finance the capital expenditure and working capital of Mianyang Xinchun.

Under the Facility Letters, it shall be an event of default, amongst others, if:

- (1) Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*) (“**Brilliance China**”), a controlling shareholder of the Company, holds less than 25% (directly or indirectly) of the issued share capital of the Company; or
- (2) Sichuan Province Yibin Wuliangye Group Co., Ltd.* (四川省宜賓五糧液集團有限公司) (“**Wuliangye**”), a controlling shareholder of the Company, holds less than 25% (directly or indirectly) of the issued share capital of the Company.

Under the Facility Letters, if an event of default occurs, the Lender may, by notice to Mianyang Xincheng, cancel the commitments under the relevant Facility Letter(s) and/or declare that all or part of the loan(s) together with interest accrued thereon and all other amounts accrued or payable under the relevant Facility Letter(s) to be immediately due and payable.

As at the date of this announcement, Brilliance China is deemed or taken to be interested in approximately 31.20% of the issued share capital of the Company in which its wholly-owned subsidiary is interested; and Wuliangye is deemed or taken to be interested in approximately 31.20% of the issued share capital of the Company in which its non wholly-owned subsidiary is interested.

The Company will continue to comply with its continuing disclosure requirements under the Listing Rules for so long as such obligations remain.

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

Hong Kong, 19 October 2017

As at the date of this announcement, the Board comprises two executive directors, Mr. Wu Xiao An (also known as Mr. Ng Siu On) (Chairman) and Mr. Wang Yunxian (Chief Executive Officer); two non-executive directors, Mr. Liu Tongfu and Mr. Yang Ming; and four independent non-executive directors, Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin.

* for identification purposes only