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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 8 June 2020, Mianyang Xincheng, a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into the Facility Letters with the Lender.

Each of the Facility Letters imposes a covenant relating to specific performance of certain controlling shareholders of the Company.

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 Xincheng China Power Holdings Limited (the “**Company**”) announces that on 8 June 2020, Mianyang Xincheng Engine Co., Ltd.* (綿陽新晨動力機械有限公司) (“**Mianyang Xincheng**”), 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\$4,000,000; and (ii) a term loan facility of US\$36,000,000 (collectively, the “**Facilities**”), respectively, with the final maturity date being three years from the date of first drawdown. The Lender is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

As at the date of this announcement, the Facilities have not been drawn down.

Under each of 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 each of 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 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 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
Xinchen China Power Holdings Limited
Wu Xiao An
(also known as Ng Siu On)
Chairman

Hong Kong, 8 June 2020

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