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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 28 September 2020, Mianyang Xinchen, a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into a Facility Letter with the Lender.

The Facility Letter 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 Xinchen China Power Holdings Limited (the “**Company**”) announces that on 28 September 2020, Mianyang Xinchen Engine Co., Ltd.* (綿陽新晨動力機械有限公司) (“**Mianyang Xinchen**”), a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into a banking facility agreement (the “**Facility Letter**”) with a financial institution as lender (the “**Lender**”) for a term loan facility of up to US\$24,000,000 (the “**Facility**”) with the final maturity date being thirty months from the date of drawdown. Each of the Lender and its ultimate controlling shareholder (as defined in the Listing Rules) 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 Facility has not been drawn down.

Under the Facility Letter, 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 (as defined in the Listing Rules) 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 (as defined in the Listing Rules) of the Company, holds less than 25% (directly or indirectly) of the issued share capital of the Company.

Under the Facility Letter, if an event of default occurs, the Lender may, by notice to Mianyang Xincheng, cancel the commitments under the 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 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, 28 September 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. Gao Weimin 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*