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POWER XINCHEN

新 晨 动 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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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On 30 September 2021, (a) the Company entered into (i) the Brilliance China Purchase Agreement 2022-2024 and (ii) the Brilliance China Sale Agreement 2022-2024 with Brilliance China; and (b) Mianyang Xinchun, a wholly-owned subsidiary of the Company, entered into the Xinhua Combustion Engine Purchase Agreement 2022-2024 with Xinhua Combustion Engine, as to the continued conduct of the Continuing Connected Transactions 2019-2021 for the three financial years commencing from 1 January 2022 to 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Brilliance China and Wuliangye is interested in 400,000,000 and 400,000,000 Shares, representing approximately 31.20% and 31.20% of the issued share capital of the Company, respectively. Accordingly, each of Brilliance China and Xinhua Combustion Engine (being a non wholly-owned subsidiary of Wuliangye) is a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Exempted Continuing Connected Transactions 2022-2024 are, on an annual basis, over 0.1% but all of them are less than 25% and the related Proposed Caps are more than HK\$3,000,000 but less than HK\$10,000,000, the Exempted Continuing Connected Transactions 2022-2024 are subject to the reporting, announcement, annual review requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Non-exempted Continuing Connected Transactions 2022-2024 are, on an annual basis, over 5% and the related Proposed Caps are more than HK\$10,000,000, the Non-exempted Continuing Connected Transactions 2022-2024 are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps.

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions 2022-2024 and the related Proposed Caps, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser and a notice convening the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps, in accordance with the requirements of the Listing Rules, is expected to be despatched to the Shareholders on or before 25 October 2021.

I. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 30 September 2021, (a) the Company entered into (i) the Brilliance China Purchase Agreement 2022-2024 and (ii) the Brilliance China Sale Agreement 2022-2024 with Brilliance China; and (b) Mianyang Xinchun, a wholly-owned subsidiary of the Company, entered into the Xinhua Combustion Engine Purchase Agreement 2022-2024 with Xinhua Combustion Engine, as to the continued conduct of the Continuing Connected Transactions 2019-2021 for the three financial years commencing from 1 January 2022 to 31 December 2024.

A. Purchase of engine components from Brilliance China Group

Background

As stated in the 2018 Announcement, the Company and Brilliance China entered into the Brilliance China Purchase Agreement 2019-2021 for the purchase by the Group from Brilliance China Group of engine components for the production of the Group's products, which is going to expire on 31 December 2021. The Brilliance China Purchase Agreement 2022-2024 was entered into to renew the continuing connected transactions contemplated under the Brilliance China Purchase Agreement 2019-2021 for a further term of three years commencing from 1 January 2022 and ending on 31 December 2024.

Brilliance China Purchase Agreement 2022-2024

- Date : 30 September 2021
- Parties : (1) The Company, as the purchaser; and
(2) Brilliance China, as the seller
- Term : The Brilliance China Purchase Agreement 2022-2024 shall be for a term of three years commencing from 1 January 2022 and ending on 31 December 2024 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Purchase Agreement 2022-2024 shall be renewable for an additional term of three years subject to fulfillment of all necessary statutory and regulatory requirements including but not limited to any applicable requirement under the Listing Rules.
- Nature of transactions : Pursuant to the agreement, the Group has agreed to purchase various engine components (mainly comprising intake and exhaust camshafts) from the Brilliance China Group.
- Consideration : The price for each purchase of engine components from the Brilliance China Group is determined by reference to the prevailing market price from time to time.

Pricing policy

Prevailing market price means the price at which the same type of products can be obtained from independent third party suppliers on normal commercial terms or better in the ordinary course of business. For the purpose of obtaining market prices, the Group will make reference to the price quotations obtained from independent third party suppliers for products of comparable quality, quantity and specifications. In any event, the terms of each purchase from the Brilliance China Group will be no less favourable than the terms which can be obtained from independent third party suppliers for purchasing products of comparable quality, quantity and specifications.

For the purpose of seeking quotations, the Group provides sketches of the engine components it requires to potential suppliers (including both connected and independent third party suppliers). When the quotations are received, the procurement department of the relevant member of the Group will analyse the quotations with reference to, among others, cost of raw materials, labour cost, manufacturing cost, mould depreciation and logistics cost. Once the quotation has successfully passed the internal review among various departments, the terms of the supply contract will be subject to the Group's approval process involving, among others, the general manager of the relevant member of the Group. Only upon approval by the general manager will the supply contract be signed. The Directors (including the independent non-executive Directors) consider that the above procedures, which apply to both connected and independent third party suppliers alike, represent appropriate and sufficient internal control measures to ensure that purchases of engine components from the Group's connected suppliers are priced fairly and reasonably and in the interests of the Company and the Shareholders as a whole.

B. Sale of engines and engine components to Brilliance China Group

Background

As stated in the 2018 Announcement, the Company and Brilliance China entered into the Brilliance China Sale Agreement 2019-2021 for the supply by the Group to the members of the Brilliance China Group various types of engines and engine components, which is going to expire on 31 December 2021. The Brilliance China Sale Agreement 2022-2024 was entered into to renew the continuing connected transactions contemplated under the Brilliance China Sale Agreement 2019-2021 for a further term of three years commencing from 1 January 2022 and ending on 31 December 2024.

Brilliance China Sale Agreement 2022-2024

Date	:	30 September 2021
Parties	:	(1) The Company, as the seller; and (2) Brilliance China, as the purchaser
Term	:	The Brilliance China Sale Agreement 2022-2024 shall be for a term of three years commencing from 1 January 2022 and ending on 31 December 2024 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Sale Agreement 2022-2024 shall be renewable for an additional term of three years subject to fulfillment of all necessary statutory and regulatory requirements including but not limited to any applicable requirement under the Listing Rules.

- Nature of transactions : Pursuant to the agreement, the Group has agreed to sell engines and engine components (mainly comprising engines for light duty commercial vehicles and engine components for after-sale car services of those engines sold) to the Brilliance China Group.
- Consideration : The price for each sale of engines and engine components to the Brilliance China Group is determined by reference to the prevailing market price from time to time.

Pricing policy

Prevailing market price means the price at which the same type of products can be sold to independent third party customers on normal commercial terms or better in the ordinary course of business. For the purpose of obtaining market prices, the Group will make reference to the price quotations to independent third party customers for products of comparable quality, quantity and specifications. In any event, terms of each sale to the Brilliance China Group will be no less favourable than the terms which can be obtained from independent third party customers for selling products of comparable quality, quantity and specifications.

After communications with its potential customer on the products required, the Group will compile a bill of materials. Based on the bill of materials and further discussions with the potential customer, the Group will prepare competitive quotation for internal approval by the sale department and the chief financial officer. The approved quotation will then be provided to the potential customer in writing. After the quotation is confirmed, the relevant member of the Group will sign a sale contract with the customer. These procedures apply equally to both connected and independent third party customers. The Directors (including the independent non-executive Directors) consider that the above procedures, which apply to both connected and independent third party customers alike, represent appropriate and sufficient internal control measures to ensure that sales of engines and engine components to the Group's connected customers are priced fairly and reasonably and in the interests of the Company and the Shareholders as a whole.

C. Purchase of engine components from Xinhua Combustion Engine

Background

As stated in the 2018 Announcement, Mianyang Xincheng entered into the Xinhua Combustion Engine Purchase Agreement 2019-2021 with Xinhua Combustion Engine, for the purchase from Xinhua Combustion Engine of various gasoline and diesel engine components such as crankshafts, exhaust manifolds, cylinder chambers and cylinder heads, which is going to expire on 31 December 2021. The Xinhua Combustion Engine Purchase Agreement 2022-2024 was entered into to renew the continuing connected transactions contemplated under the Xinhua Combustion Engine Purchase Agreement 2019-2021 for a further term of three years commencing from 1 January 2022 and ending on 31 December 2024.

Xinhua Combustion Engine Purchase Agreement 2022-2024

Date	:	30 September 2021
Parties	:	(1) Mianyang Xincheng, as the purchaser; and (2) Xinhua Combustion Engine, as the seller
Term	:	The Xinhua Combustion Engine Purchase Agreement 2022-2024 shall be for a term of three years commencing from 1 January 2022 and ending on 31 December 2024. Unless terminated prior to its expiry date, the Xinhua Combustion Engine Purchase Agreement 2022-2024 shall be renewable for an additional term of three years subject to fulfillment of all necessary statutory and regulatory requirements including but not limited to any applicable requirement under the Listing Rules.
Nature of transactions	:	Pursuant to the agreement, Mianyang Xincheng has agreed to purchase various gasoline and diesel engine components such as crankshafts, exhaust manifolds, cylinder chambers and cylinder heads from Xinhua Combustion Engine.
Consideration	:	The price for each purchase of engine components from Xinhua Combustion Engine is determined by reference to the prevailing market price from time to time.

Pricing policy

Prevailing market price means the price at which the same type of products can be obtained from independent third party suppliers on normal commercial terms or better in the ordinary course of business. For the purpose of obtaining market prices, Mianyang Xincheng will make reference to the price quotations obtained from independent third party suppliers for products of comparable quality, quantity and specifications. In any event, the terms of each purchase from Xinhua Combustion Engine will be no less favourable than the terms which can be obtained from independent third party suppliers for purchasing products of comparable quality, quantity and specifications.

For the purpose of seeking quotations, the Group provides sketches of the engine components it requires to potential suppliers (including both connected and independent third party suppliers). When the quotations are received, the procurement department of the relevant member of the Group will analyse the quotations with reference to, among others, cost of raw materials, labour cost, manufacturing cost, mould depreciation and logistics cost. Once the quotation has successfully passed the internal review among various departments, the terms of the supply contract will be subject to the Group's approval process involving, among others, the general manager of the relevant member of the Group. Only upon approval by the general manager will the supply contract be signed. The Directors (including the independent non-executive Directors) consider that the above procedures, which apply to both connected and independent third party suppliers alike, represent appropriate and sufficient internal control measures to ensure that purchases of engine components from the Group's connected suppliers are priced fairly and reasonably and in the interests of the Company and the Shareholders as a whole.

II. PROPOSED CAPS AND HISTORICAL TRANSACTION VALUE

A. Existing Caps and historical transaction value

The following table sets out (i) the Existing Caps for each of the three financial years ended or ending (as applicable) 31 December 2019, 2020 and 2021; and (ii) the actual total transaction amounts of the Continuing Connected Transactions 2019-2021 for the two financial years ended 31 December 2020 and the six months ended 30 June 2021:

Continuing Connected Transactions 2019-2021	Major type of products/services	For the financial year ended 31 December 2019		For the financial year ended 31 December 2020		For the financial year ending 31 December 2021	For the six months ended 30 June 2021
		Existing Cap	Actual total transaction amount	Existing Cap	Actual total transaction amount	Existing Cap	Actual total transaction amount
		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
1. Purchase of engine components from the Brilliance China Group	Engine components	46,400	22,128	39,100	10,419	74,600	1,761
2. Sale of engines and engine components to the Brilliance China Group	Engines and engine components	1,754,500	386,773	1,775,000	284,831	2,600,000	236,665
3. Purchase of engine components from Xinhua Combustion Engine	Engine components	194,900	145,802	179,500	103,736	174,200	55,053

B. The Proposed Caps

The following table sets out the Proposed Caps for the three financial years ending 31 December 2024:

Continuing Connected Transactions 2022-2024	Major type of products/services	For the financial year ending 31 December		
		2022 Proposed Cap	2023 Proposed Cap	2024 Proposed Cap
		(RMB'000)	(RMB'000)	(RMB'000)
1. Purchase of engine components from the Brilliance China Group	Engine components	3,600	3,200	2,800
2. Sale of engines and engine components to the Brilliance China Group	Engines and engine components	409,000	504,000	421,000
3. Purchase of engine components from Xinhua Combustion Engine	Engine components	111,700	142,100	128,700

C. Basis for determining the Proposed Caps

The Proposed Caps are primarily based on the following:

- (i) the historical transaction amounts of the relevant Continuing Connected Transactions 2019-2021;
- (ii) the estimated volume of engines and engine components required by the Group's connected customers with reference to their internal sales targets and expected market demand for their products;
- (iii) the estimated volume of engines components required by the Group based on the estimated demand for the Group's engines from both connected and independent third party customers; and
- (iv) the expected unit sale and purchase prices for the engines and engine components.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS 2022-2024

In the ordinary course of business of the Group, the Group purchases various types of engine components from the Brilliance China Group and the Wuliangye Group for production of the Group's engines. The Group sells engines produced by it and also engine components to the Brilliance China Group.

The Continuing Connected Transactions 2022-2024 are entered into for the following reasons:

- Engine components supplied by certain members of the Brilliance China Group and the Wuliangye Group are produced based on specifications provided by the Group and used for the production of engines of the Group or for sale to customers of the Group for repair and maintenance purposes.
- The Group sells its engines to the Brilliance China Group for use in manufacturing Jinbei minibuses, which are minibuses under the "Jinbei" brand of commercial vehicles manufactured under a non-wholly-owned business operated by the Brilliance China Group. Such engines are developed and produced according to the specifications required by the Brilliance China Group.

The Directors (excluding the Directors who abstained from voting on the relevant resolutions and, in respect of the Non-exempted Continuing Connected Transactions 2022-2024, the independent non-executive Directors whose view will be given after considering the opinion from the Independent Financial Adviser) consider the Continuing Connected Transactions 2022-2024 to be in the interests of the Company and the Shareholders as a whole; on normal commercial terms or better and in the ordinary and usual course of business of the Group; and that the terms of the relevant agreements (including the related Proposed Caps) governing the Continuing Connected Transactions 2022-2024 to be fair and reasonable.

IV. INFORMATION OF THE PARTIES INVOLVED

The Group

The Group is principally engaged in the development, manufacture and sale of automotive engines for passenger vehicles and light duty commercial vehicles and manufacture of engine parts and components of the passenger vehicles in the PRC.

The Brilliance China Group

Brilliance China

Brilliance China is a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange. It is an investment holding company.

As at the date of this announcement, Brilliance China, through its wholly-owned subsidiary, owns approximately 31.20% of the issued share capital of the Company and is a connected person of the Company.

The Wuliangye Group

Wuliangye

Wuliangye primarily engages in the production and sale of a series of wine. It also engages in a wide range of businesses including industrial packaging, optical glass, logistics, rubber products and pharmacy.

As at the date of this announcement, Wuliangye, through its non wholly-owned subsidiary, owns approximately 31.20% of the issued share capital of the Company and is a connected person of the Company.

Xinhua Combustion Engine

Xinhua Combustion Engine is a joint-stock company established in the PRC and a non wholly-owned subsidiary of Wuliangye and a connected person of the Company. The principal activities of Xinhua Combustion Engine are manufacture and sales of engine components, vehicles sales and provision of ancillary services and logistic services.

V. LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Brilliance China and Wuliangye is interested in 400,000,000 and 400,000,000 Shares, representing approximately 31.20% and 31.20% of the issued share capital of the Company, respectively. Accordingly, each of Brilliance China and Xinhua Combustion Engine (being a non wholly-owned subsidiary of Wuliangye) is a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Exempted Continuing Connected Transactions 2022-2024 are, on an annual basis, over 0.1% but all of them are less than 25% and the related Proposed Caps are more than HK\$3,000,000 but less than HK\$10,000,000, the Exempted Continuing Connected Transactions 2022-2024 are subject to the reporting, announcement, annual review requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Non-exempted Continuing Connected Transactions 2022-2024 are, on an annual basis, over 5% and the related Proposed Caps are more than HK\$10,000,000, the Non-exempted Continuing Connected Transactions 2022-2024 are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wu Xiao An, an executive Director, is also the chairman and an executive director of Brilliance China. Ms. Ma Nina, a non-executive Director, is also an executive director of Brilliance China and a director of Shenyang XingYuanDong Automobile Component Co., Ltd. (a subsidiary of Brilliance China). Accordingly, Mr. Wu Xiao An and Ms. Ma Nina abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions 2022-2024 between the Group and the Brilliance China Group.

Mr. Wang Yunxian, an executive Director, is also a director of Xinhua Investment Holdings Limited (which is a wholly-owned subsidiary of Xinhua Combustion Engine). Mr. Yang Ming, a non-executive Director, is also the general manager of Sichuan Yibin Pushi Group Co., Ltd.* (四川省宜賓普什集團有限公司) (which is a holding company of Xinhua Combustion Engine). Accordingly, Mr. Wang Yunxian and Mr. Yang Ming abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions 2022-2024 between the Group and the Wuliangye Group.

The Board confirms that (i) except for Mr. Wu Xiao An and Ms. Ma Nina, none of the Directors has any material interest in the Continuing Connected Transactions 2022-2024 between the Group and the Brilliance China Group; and (ii) except for Mr. Wang Yunxian and Mr. Yang Ming, none of the Directors has any material interest in the Continuing Connected Transactions 2022-2024 between the Group and the Wuliangye Group. Accordingly, none of the Directors (except for Mr. Wu Xiao An, Mr. Wang Yunxian, Ms. Ma Nina and Mr. Yang Ming who abstained as mentioned above) was required to abstain from voting on the Board resolutions in relation to the Continuing Connected Transactions 2022-2024.

VI. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps.

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions 2022-2024 and the related Proposed Caps, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser and a notice convening the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps, in accordance with the requirements of the Listing Rules, is expected to be despatched to the Shareholders on or before 25 October 2021.

As at the date of this announcement, Brilliance China and Wuliangye are interested in 400,000,000 and 400,000,000 Shares, representing approximately 31.20% and 31.20% of the issued share capital of the Company, respectively. Brilliance China and its associates will abstain from voting on the ordinary resolution(s) to be proposed at the Extraordinary General Meeting in respect of the Non-exempted Continuing Connected Transactions 2022-2024 between the Group and the Brilliance China Group and the related Proposed Caps. Wuliangye and its associates will abstain from voting on the ordinary resolution(s) to be proposed at the Extraordinary General Meeting in respect of the Non-exempted Continuing Connected Transactions 2022-2024 between the Group and the Wuliangye Group and the related Proposed Caps.

VII. DEFINITIONS

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

“2018 Announcement”	the announcement dated 18 October 2018 made by the Company in relation to, among others, the Continuing Connected Transactions 2019-2021;
“associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Brilliance China”	Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*), a company incorporated in Bermuda, whose Shares are listed on the Main Board of the Stock Exchange, and a controlling shareholder of the Company;

“Brilliance China Group”	Brilliance China and its subsidiaries;
“Brilliance China Purchase Agreement 2019-2021”	the framework agreement entered into between the Company and Brilliance China on 18 October 2018 in relation to the purchase of engine components from the Brilliance China Group;
“Brilliance China Purchase Agreement 2022-2024”	the framework agreement entered into between the Company and Brilliance China on 30 September 2021 in relation to the purchase of engine components from the Brilliance China Group;
“Brilliance China Sale Agreement 2019-2021”	the framework agreement entered into between the Company and Brilliance China on 18 October 2018 in relation to the sale of engine and engine components to Brilliance China Group;
“Brilliance China Sale Agreement 2022-2024”	the framework agreement entered into between the Company and Brilliance China on 30 September 2021 in relation to the sale of engine and engine components to the Brilliance China Group;
“Company”	Xinchen China Power Holdings Limited (新晨中國動力控股有限公司), an exempted company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Continuing Connected Transactions 2019-2021”	the transactions between the Group and the connected persons of the Company as contemplated under the Brilliance China Purchase Agreement 2019-2021, the Brilliance China Sale Agreement 2019-2021 and the Xinhua Combustion Engine Purchase Agreement 2019-2021;
“Continuing Connected Transactions 2022-2024”	the transactions between the Group and the connected persons of the Company as contemplated under the Brilliance China Purchase Agreement 2022-2024, the Brilliance China Sale Agreement 2022-2024 and the Xinhua Combustion Engine Purchase Agreement 2022-2024;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Exempted Continuing Connected Transactions 2022-2024”	the transactions contemplated under the Brilliance China Purchase Agreement 2022-2024;
“Existing Caps”	the existing annual caps of the Continuing Connected Transactions 2019-2021 as stated in the 2018 Announcement;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps;
“Independent Financial Adviser”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Non-exempted Continuing Connected Transactions 2022-2024; and (ii) the related Proposed Caps;
“Independent Shareholders”	Shareholder(s) other than Brilliance China and its associates in respect of the Non-exempted Continuing Connected Transactions 2022-2024 between the Group and the Brilliance China Group or Shareholder(s) other than Wuliangye and its associates in respect of the Non-exempted Continuing Connected Transactions 2022-2024 between the Group and the Wuliangye Group;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mianyang Xincheng”	Mianyang Xincheng Engine Co., Ltd.* (綿陽新晨動力機械有限公司) (including its branches), a company incorporated in the PRC and a wholly-owned subsidiary of the Company;
“Non-exempted Continuing Connected Transactions 2022-2024”	the transactions contemplated under the Brilliance China Sale Agreement 2022-2024 and the Xinhua Combustion Engine Purchase Agreement 2022-2024;
“PRC”	The People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Proposed Caps”	the respective estimated annual monetary value of the Continuing Connected Transactions 2022-2024 for the three financial years ending 31 December 2024;
“Share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.01 each;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wuliangye”	Sichuan Province Yibin Wuliangye Group Co., Ltd.* (四川省宜賓五糧液集團有限公司), a state-owned company incorporated in the PRC and a controlling shareholder of the Company;
“Wuliangye Group”	Wuliangye and its subsidiaries;
“Xinhua Combustion Engine”	Mianyang Xinhua Internal Combustion Engine Joint Stock Company Limited* (綿陽新華內燃機股份有限公司), a joint-stock company established in the PRC and a non wholly-owned subsidiary of Wuliangye;
“Xinhua Combustion Engine Purchase Agreement 2019-2021”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 18 October 2018 in relation to the purchase of engine components from Xinhua Combustion Engine;

“Xinhua Combustion Engine Purchase Agreement 2022-2024”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 30 September 2021 in relation to the purchase of engine components from Xinhua Combustion Engine;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

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

Hong Kong, 30 September 2021

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, Ms. Ma Nina 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*