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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)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

On 18 October 2024, (a) the Company entered into (i) the Brilliance China Purchase Agreement 2025-2027 and (ii) the Brilliance China Sale Agreement 2025-2027 with Brilliance China; and (b) Mianyang Xincheng, a wholly-owned subsidiary of the Company, entered into the Xinhua Combustion Engine Purchase Agreement 2025-2027 with Xinhua Combustion Engine, as to the continued conduct of the Continuing Connected Transactions 2022-2024 for the three financial years commencing from 1 January 2025 to 31 December 2027.

### **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 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 2025-2027 are, on an annual basis, over 0.1% but all of them are below 5%, the Exempted Continuing Connected Transactions 2025-2027 are subject to reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and 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 2025-2027 are, on an annual basis, over 5%, the Non-exempted Continuing Connected Transactions 2025-2027 are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in 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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027.

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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027.

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions 2025-2027 and the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027, 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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027, in accordance with the requirements of the Listing Rules, is expected to be despatched to the Shareholders on or before 22 November 2024, taking into account the time required for, among others, the preparation and finalisation of the circular.

## I. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 18 October 2024, (a) the Company entered into (i) the Brilliance China Purchase Agreement 2025-2027 and (ii) the Brilliance China Sale Agreement 2025-2027 with Brilliance China; and (b) Mianyang Xincheng, a wholly-owned subsidiary of the Company, entered into the Xinhua Combustion Engine Purchase Agreement 2025-2027 with Xinhua Combustion Engine, as to the continued conduct of the Continuing Connected Transactions 2022-2024 for the three financial years commencing from 1 January 2025 to 31 December 2027.

### A. Exempted Continuing Connected Transactions

#### 1. *Purchase of engine components from the Brilliance China Group*

##### *Background*

As stated in the 2021 Announcement, the Company and Brilliance China entered into the Brilliance China Purchase Agreement 2022-2024 for the purchase by the Group from the Brilliance China Group of engine components for the production of the Group's products, which is going to expire on 31 December 2024. The Brilliance China Purchase Agreement 2025-2027 was entered into to renew the continuing connected transactions contemplated under the Brilliance China Purchase Agreement 2022-2024 for a further term of three years commencing from 1 January 2025 and ending on 31 December 2027.

## Brilliance China Purchase Agreement 2025-2027

Date	:	18 October 2024
Parties	:	(1) The Company, as the purchaser; and (2) Brilliance China, as the seller
Term	:	The Brilliance China Purchase Agreement 2025-2027 shall be for a term of three years commencing from 1 January 2025 and ending on 31 December 2027 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Purchase Agreement 2025-2027 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 by the Group 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. Non-exempted Continuing Connected Transactions**

### ***1. Sale of engines to the Brilliance China Group***

#### *Background*

As stated in the 2021 Announcement, the Company and Brilliance China entered into the Brilliance China Sale Agreement 2022-2024 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 2024. The Brilliance China Sale Agreement 2025-2027 was entered into to renew the continuing connected transactions contemplated under the Brilliance China Sale Agreement 2022-2024 (other than the sale of engine components) for a further term of three years commencing from 1 January 2025 and ending on 31 December 2027.

#### Brilliance China Sale Agreement 2025-2027

Date : 18 October 2024

Parties : (1) The Company, as the seller; and  
(2) Brilliance China, as the purchaser

- Term : The Brilliance China Sale Agreement 2025-2027 shall be for a term of three years commencing from 1 January 2025 and ending on 31 December 2027 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Sale Agreement 2025-2027 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 (mainly comprising engines for light duty commercial vehicles) to the Brilliance China Group.
- Consideration : The price for each sale of engines 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 by the Group 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 to the Group's connected customers are priced fairly and reasonably and in the interests of the Company and the Shareholders as a whole.

## **2. *Purchase of engine components from Xinhua Combustion Engine***

### *Background*

As stated in the 2021 Announcement, Mianyang Xincheng entered into the Xinhua Combustion Engine Purchase Agreement 2022-2024 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 2024. The Xinhua Combustion Engine Purchase Agreement 2025-2027 was entered into to renew the continuing connected transactions contemplated under the Xinhua Combustion Engine Purchase Agreement 2022-2024 for a further term of three years commencing from 1 January 2025 and ending on 31 December 2027.

### *Xinhua Combustion Engine Purchase Agreement 2025-2027*

Date	:	18 October 2024
Parties	:	(1) Mianyang Xincheng, as the purchaser; and (2) Xinhua Combustion Engine, as the seller
Term	:	The Xinhua Combustion Engine Purchase Agreement 2025-2027 shall be for a term of three years commencing from 1 January 2025 and ending on 31 December 2027 (both dates inclusive). Unless terminated prior to its expiry date, the Xinhua Combustion Engine Purchase Agreement 2025-2027 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 by Mianyang Xincheng 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

Resolution(s) shall be put forward to the Independent Shareholders at the Extraordinary General Meeting to seek their approval for the Non-exempted Continuing Connected Transactions 2025-2027 and the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027.

The Company shall comply with the applicable requirements under the Listing Rules in the event that (i) any of the Exempted Continuing Connected Transactions 2025-2027 falling within category A1 under section headed “Renewal of Continuing Connected Transactions” ceases to be exempt from the shareholders’ approval requirements under the Listing Rules in the future; and/or (ii) any of the monetary value exceeds the relevant Proposed Caps set out in the table headed “The Proposed Caps” below.

The following table sets out (i) the Existing Caps for each of the three financial years ended or ending (as applicable) 31 December 2022, 2023 and 2024; and (ii) the actual total transaction amounts of the Continuing Connected Transactions 2022-2024 for the two financial years ended 31 December 2023 and the six months ended 30 June 2024:

Continuing Connected Transactions 2022-2024	Major type of products	For the financial year ended 31 December 2022		For the financial year ended 31 December 2023		For the financial year ending 31 December 2024	For the six months ended 30 June 2024
		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)
A1. Purchase of engine components from the Brilliance China Group	Engine components	3,600	2,105	3,200	2,784	2,800	1,634
B1. Sale of engines and engine components to the Brilliance China Group	Engines and engine components	409,000	764*	504,000	–	421,000	–
B2. Purchase of engine components from Xinhua Combustion Engine	Engine components	111,700	36,941	142,100	55,618	128,700	40,251

\* *This actual transaction amount relates to sale of engines only. There was no sale of engine components by the Group to the Brilliance China Group for the financial year ended 31 December 2022.*



## B. The Proposed Caps

The following table sets out the Proposed Caps for the three financial years ending 31 December 2027:

		For the financial year ending 31 December			
Continuing Connected Transactions 2025-2027	Major type of products	2025 Proposed Cap (RMB'000)	2026 Proposed Cap (RMB'000)	2027 Proposed Cap (RMB'000)	
A. Continuing Connected Transactions 2025-2027 which are subject to reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements as set out in Chapter 14A of the Listing Rules					
1.	Purchase of engine components from the Brilliance China Group	Engine components	3,760	2,350	1,760
B. Continuing Connected Transactions 2025-2027 which are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules					
1.	Sale of engines to the Brilliance China Group	Engines	106,100	168,720	217,950
2.	Purchase of engine components from Xinhua Combustion Engine	Engine components	97,820	126,360	191,700

## 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 2022-2024;
- (ii) the estimated volume of engines 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 2025-2027**

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, and also sells engines produced by it to the Brilliance China Group.

The Continuing Connected Transactions 2025-2027 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 vehicles, and such engines are developed and produced according to the specifications required by the Brilliance China Group.
- The facilities of Mianyang Xinchun and those of Xinhua Combustion Engine are closely located, which reduces transportation costs, and ensures timely delivery, of products purchased by Mianyang Xinchun from Xinhua Combustion Engine.

The Directors consider the Exempted Continuing Connected Transactions 2025-2027 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 Brilliance China Purchase Agreement 2025-2027 (including the Proposed Caps for the Exempted Continuing Connected Transactions 2025-2027) to be fair and reasonable.

The Directors (excluding Directors who abstained from voting on the relevant resolutions and the independent non-executive Directors whose view will be given after considering the opinion from the Independent Financial Adviser) consider the Non-exempted Continuing Connected Transactions 2025-2027 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 Brilliance China Sale Agreement 2025-2027 and the Xinhua Combustion Engine Purchase Agreement 2025-2027 (including the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027) 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, owned 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 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 2025-2027 are, on an annual basis, over 0.1% but all of them are below 5%, the Exempted Continuing Connected Transactions 2025-2027 are subject to reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and 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 2025-2027 are, on an annual basis, over 5%, the Non-exempted Continuing Connected Transactions 2025-2027 are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Mr. Deng Han, an executive Director and the chief executive officer of the Company, is also the chairman and director of Xinhua Combustion Engine. Accordingly, Mr. Deng Han abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions 2025-2027 between the Group and the Wuliangye Group.

Mr. Yang Ming, a non-executive Director, is also a director and 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. Yang Ming abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions 2025-2027 between the Group and the Wuliangye Group.

The Board confirms that (i) none of the Directors has any material interest in the Continuing Connected Transactions 2025-2027 between the Group and the Brilliance China Group; and (ii) except for Mr. Deng Han and Mr. Yang Ming, none of the Directors has any material interest in the Continuing Connected Transactions 2025-2027 between the Group and the Wuliangye Group. Accordingly, none of the Directors (except for Mr. Deng Han and Mr. Yang Ming who abstained from voting as mentioned above) was required to abstain from voting on the Board resolutions in relation to the Continuing Connected Transactions 2025-2027.

## VI. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to (i) the Non-exempted Continuing Connected Transactions 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027.

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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027.

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions 2025-2027 and the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027, 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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027, in accordance with the requirements of the Listing Rules, is expected to be despatched to the Shareholders on or before 22 November 2024, taking into account the time required for, among others, the preparation and finalisation of the circular.

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 2025-2027 between the Group and the Brilliance China Group and the relevant 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 2025-2027 between the Group and the Wuliangye Group and the relevant Proposed Caps.

## VII. DEFINITIONS

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

“2021 Announcement”	the announcement dated 30 September 2021 made by the Company in relation to, among others, the Continuing Connected Transactions 2022-2024;
“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 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 Purchase Agreement 2025-2027”	the framework agreement entered into between the Company and Brilliance China on 18 October 2024 in relation to the purchase of engine components from the 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 engines and engine components to the Brilliance China Group;
“Brilliance China Sale Agreement 2025-2027”	the framework agreement entered into between the Company and Brilliance China on 18 October 2024 in relation to the sale of engines 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 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;
“Continuing Connected Transactions 2025-2027”	the Exempted Continuing Connected Transactions 2025-2027 and the Non-exempted Continuing Connected Transactions 2025-2027;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Exempted Continuing Connected Transactions 2025-2027”	for the purpose of this announcement, the continuing connected transactions falling within category A1 under the section headed “Renewal of Continuing Connected Transactions” in this announcement above and subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders’ approval requirements under Chapter 14A of the Listing Rules;
“Existing Caps”	the existing annual caps of the Continuing Connected Transactions 2022-2024;
“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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027;
“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 and Ms. Dong Yan, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to (i) the Non-exempted Continuing Connected Transactions 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027;
“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 2025-2027; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions 2025-2027;



“Independent Shareholders”	Shareholder(s) other than Brilliance China and its associates in respect of the Non-exempted Continuing Connected Transactions 2025-2027 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 2025-2027 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 2025-2027”	for the purpose of this announcement, the continuing connected transactions falling within categories B1 to B2 under the section headed “Renewal of Continuing Connected Transactions” in this announcement above and subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements as set out in Chapter 14A of the Listing Rules;
“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 2025-2027 for the three financial years ending 31 December 2027;
“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 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;
“Xinhua Combustion Engine Purchase Agreement 2025-2027”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 18 October 2024 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 order of the Board  
**Xincheng China Power Holdings Limited**  
**Deng Han**  
*Executive Director and Chief Executive Officer*

Hong Kong, 18 October 2024

*As at the date of this announcement, the Board comprises one executive Director, Mr. Deng Han (Chief Executive Officer); two non-executive Directors: Mr. Han Song and Mr. Yang Ming; and three independent non-executive Directors: Mr. Chi Guohua, Mr. Wang Jun and Ms. Dong Yan.*

\* for identification purposes only