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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)

**CONTINUING CONNECTED TRANSACTIONS
AND
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

CONTINUING CONNECTED TRANSACTIONS

On 18 October 2018, the Company entered into (a) the Huachen Purchase Agreement 2018-2020 with Huachen for a term commencing from 18 October 2018 to 31 December 2020; and (b) the Brilliance China Licence Agreements 2018-2020 with Brilliance China for a term commencing from 1 September 2018 to 31 December 2020, as to the conduct of the Continuing Connected Transactions 2018-2020.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 18 October 2018, (a) Mianyang Xincheng, a wholly-owned subsidiary of the Company, entered into (i) the Huachen Lease Agreement 2019-2021 with Shenyang Brilliance Power; and (ii) the Wuliangye Construction Services Agreement 2019-2021 with Mianyang Xin Xinmao; and (b) the Company or its subsidiary entered into the Framework Agreements 2019-2021 with Huachen, Brilliance China and certain subsidiaries of Wuliangye, as to the continued conduct of the Continuing Connected Transactions 2016-2018 for the three financial years commencing from 1 January 2019 to 31 December 2021.

LISTING RULES IMPLICATIONS

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. Accordingly, each of Brilliance China and Wuliangye is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Huachen, being interested in approximately 42.32% of the issued share capital of Brilliance China, is a controlling shareholder of Brilliance China. It is deemed as a connected person of the Company by the Stock Exchange under Rule 14A.07(6) 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 are, on an annual basis, over 0.1% but all of them are less than 5%, the Exempted Continuing Connected Transactions are 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.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Non-exempted Continuing Connected Transactions are, on an annual basis, over 5%, the Non-exempted Continuing Connected Transactions 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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions.

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

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions and the Proposed Caps for the Non-exempted Continuing Connected Transactions, 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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions, in accordance with the requirements of the Listing Rules, will be despatched to the Shareholders on or before 8 November 2018.

I. CONTINUING CONNECTED TRANSACTIONS

On 18 October 2018, the Company entered into (a) the Huachen Purchase Agreement 2018-2020 with Huachen for a term commencing from 18 October 2018 to 31 December 2020; and (b) the Brilliance China Licence Agreements 2018-2020 with Brilliance China for a term commencing from 1 September 2018 to 31 December 2020, as to the conduct of the Continuing Connected Transactions 2018-2020.

A. Exempted Continuing Connected Transactions

1. *Purchase of engine components from Huachen*

Background

On 18 October 2018, the Company entered into the Huachen Purchase Agreement 2018-2020 with Huachen for a term commencing from 18 October 2018 to 31 December 2020.

Huachen Purchase Agreement 2018-2020

- Date : 18 October 2018
- Parties : (1) The Company, as the purchaser; and
(2) Huachen, as the seller
- Term : The Huachen Purchase Agreement 2018-2020 shall be for a term commencing on 18 October 2018 and ending on 31 December 2020 (both dates inclusive). Unless terminated prior to its expiry date, the Huachen Purchase Agreement 2018-2020 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 (which do not include those (including the Remaining Materials) purchased under the Huachen Purchase Agreement) from the Huachen Group.
- Consideration : The price for each purchase of engine components from the Huachen 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 engine components 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 other independent third party suppliers of engine components of comparable quality, quantity and specifications. In any event, the terms of each purchase from the Huachen Group will be no less favourable than the terms which can be obtained from independent third party suppliers of engine components of comparable quality, quantity and specifications.

2. Licence from Brilliance China to the Company for use of office premises, ancillary utilities and office supplies

Background

Brilliance China has been licensing the exclusive use of a part of the Office Premises which is one-third in floor area to the Company for use as office premises, together with the use of ancillary utilities and office supplies, pursuant to a licence agreement whose term expired on 31 August 2018. As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions contemplated under the aforesaid licence agreement are less than 5% and the total licence fees paid by the Company thereunder for the eight months ended 31 August 2018 are less than HK\$3,000,000 and given that such transactions were conducted on normal commercial terms, according to Rule 14A.76(1) of the Listing Rules such transactions are fully exempt from the reporting, announcement, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules. On 18 October 2018, the Company entered into the Brilliance China Licence Agreements 2018-2020 with Brilliance China for a term commencing from 1 September 2018 to 31 December 2020 for the continued use of such part of the Office Premises, together with the use of ancillary utilities and office supplies.

Brilliance China Licence Agreements 2018-2020

Date	:	18 October 2018
Parties	:	(1) The Company, as the licensee; and (2) Brilliance China, as the licensor
Term	:	The Brilliance China Licence Agreements 2018-2020 shall be for a term commencing on 1 September 2018 and ending on 31 December 2020 (both dates inclusive).
Nature of transactions	:	Pursuant to the agreements, Brilliance China has licensed the exclusive use of a part of the Office Premises which is one-third in floor area to the Company for use as office premises, together with the use of ancillary utilities and office supplies.
Consideration	:	The licence fee is determined based on (a) as regards the use of the Office Premises, one-third of the rent actually payable by Brilliance China to the landlord of the Office Premises and the relevant management fees and government rates; and (b) as regards the ancillary utilities and office supplies, one-third of the historical amounts paid by Brilliance China therefor.

II. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 18 October 2018, (a) Mianyang Xincheng, a wholly-owned subsidiary of the Company, entered into (i) the Huachen Lease Agreement 2019-2021 with Shenyang Brilliance Power; and (ii) the Wuliangye Construction Services Agreement 2019-2021 with Mianyang Xin Xinmao; and (b) the Company or its subsidiary entered into the Framework Agreements 2019-2021 with Huachen, Brilliance China and certain subsidiaries of Wuliangye, as to the continued conduct of the Continuing Connected Transactions 2016-2018 for the three financial years commencing from 1 January 2019 to 31 December 2021.

B. Exempted Continuing Connected Transactions

1. *Rental of factory premises from Shenyang Brilliance Power*

Background

As disclosed in the 2015 Announcement, Shenyang Brilliance Power and Mianyang Xincheng entered into the Existing Lease Agreement in relation to the Factory Premises for a term expiring on 31 December 2018. The Factory Premises are part of the E2 Factory, which is primarily for the accommodation of the E3 engine production lines, the connecting rod production lines and other related assets in the E2 Factory.

Huachen Lease Agreement 2019-2021

Date	:	18 October 2018
Parties	:	(1) Mianyang Xincheng, as the lessee; and (2) Shenyang Brilliance Power, as the lessor
Term	:	The Huachen Lease Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Mianyang Xincheng may request to renew the term of the Huachen Lease Agreement 2019-2021 by giving three months' written notice to Shenyang Brilliance Power prior to the expiry of the original term or terminate the Huachen Lease Agreement 2019-2021 upon the consent of Shenyang Brilliance Power to be sought by three months' prior written notice to Shenyang Brilliance Power.

Pursuant to the Huachen Lease Agreement 2019-2021, if Shenyang Brilliance Power intends to sell the Factory Premises during the term of the Huachen Lease Agreement 2019-2021, Shenyang Brilliance Power shall give Mianyang Xincheng three months' prior written notice and Mianyang Xincheng has the right of first refusal to purchase the Factory Premises.

Nature of the transactions : Pursuant to the Huachen Lease Agreement 2019-2021, Shenyang Brilliance Power agreed to lease to Mianyang Xincheng the Factory Premises.

Consideration : The rental for the Factory Premises, which is calculated on the basis of RMB288 per square metre, is RMB5,999,904 per year.

Basis for determining the rental for the Factory Premises

The rental is determined after arm's length negotiations between Shenyang Brilliance Power and Mianyang Xincheng based on market rates of factory premises of comparable size in the same district in Shenyang.

2. Procurement of construction and building maintenance services from Mianyang Xin Xinmao

Background

As stated in the 2015 Announcement, Mianyang Xincheng and Mianyang Xin Xinmao entered into the Wuliangye Construction Services Agreement for procuring construction services for the properties at the production site, including roads and wall, as well as the maintenance of the same from Mianyang Xin Xinmao, which is going to expire on 31 December 2018.

Wuliangye Construction Services Agreement 2019-2021

Date : 18 October 2018

Parties : (1) Mianyang Xincheng, as the service recipient; and
(2) Mianyang Xin Xinmao, as the service provider

Term : The Wuliangye Construction Services Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Wuliangye Construction Services Agreement 2019-2021 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 procure construction and building maintenance services from Mianyang Xin Xinmao.
- Consideration : The price for provision of construction and building maintenance services from Mianyang Xin Xinmao 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 service can be obtained from independent third party service providers within the proximity of the relevant production site 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 other independent third party service providers for services of comparable quality and specifications. In any event, the terms of each procurement of services from Mianyang Xin Xinmao will be no less favourable than the terms which can be obtained from independent third party service providers for providing services of comparable quality and specifications.

C. Non-exempted Continuing Connected Transactions

1. Purchase of engine components from Brilliance China Group

Background

As stated in the 2015 Announcement, the Company and Brilliance China entered into the Brilliance China Purchase Agreement 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 2018.

Brilliance China Purchase Agreement 2019-2021

- Date : 18 October 2018
- Parties : (1) The Company, as the purchaser; and
(2) Brilliance China, as the seller
- Term : The Brilliance China Purchase Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Purchase Agreement 2019-2021 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 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 other 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.

2. *Sale of engines and engine components to Huachen Group*

Background

As stated in the 2015 Announcement, the Company and Huachen entered into the Huachen Sale Agreement for the supply by the Group to the Huachen Group different types of engines and engine components, which is going to expire on 31 December 2018.

Huachen Sale Agreement 2019-2021

- Date : 18 October 2018
- Parties : (1) The Company, as the seller; and
(2) Huachen, as the purchaser
- Term : The Huachen Sale Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Huachen Sale Agreement 2019-2021 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 to the Huachen Group.

Consideration : The price for each sale of engines and engine components to the Huachen 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 other independent third party customers for products of comparable quality, quantity and specifications. In any event, the terms of each sale to the Huachen 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.

3. *Sale of engines and engine components to Brilliance China Group*

Background

As stated in the 2015 Announcement, the Company and Brilliance China entered into the Brilliance China Sale Agreement for the supply by the Group to the Brilliance China Group various types of engines and engine components, which is going to expire on 31 December 2018.

Brilliance China Sale Agreement 2019-2021

Date : 18 October 2018

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

Term : The Brilliance China Sale Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Brilliance China Sale Agreement 2019-2021 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 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 other 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 specification.

4. *Purchase of engine components from Sichuan Pushi and Xinhua Combustion Engine*

Background

As stated in the 2015 Announcement, Mianyang Xinchun entered into (a) the Sichuan Pushi Purchase Agreement with Sichuan Pushi; and (b) the Xinhua Combustion Engine Purchase Agreement with Xinhua Combustion Engine, for the purchase from Sichuan Pushi or Xinhua Combustion Engine (as the case may be) of various gasoline and diesel engine components such as crankshafts, exhaust manifolds, cylinder chambers and cylinder heads, both of which are going to expire on 31 December 2018.

(a) Sichuan Pushi Purchase Agreement 2019-2021

- Date : 18 October 2018
- Parties : (1) Mianyang Xinchun, as the purchaser; and
(2) Sichuan Pushi, as the seller

- Term : The Sichuan Pushi Purchase Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Sichuan Pushi Purchase Agreement 2019-2021 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 Sichuan Pushi.
- Consideration : The price for each purchase of engine components from Sichuan Pushi 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 other independent third party suppliers for products of comparable quality, quantity and specifications. In any event, the terms of each purchase from Sichuan Pushi 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.

(b) Xinhua Combustion Engine Purchase Agreement 2019-2021

- Date : 18 October 2018
- Parties : (1) Mianyang Xincheng, as the purchaser; and
(2) Xinhua Combustion Engine, as the seller

- Term : The Xinhua Combustion Engine Purchase Agreement 2019-2021 shall be for a term of three years commencing on 1 January 2019 and ending on 31 December 2021 (both dates inclusive). Unless terminated prior to its expiry date, the Xinhua Combustion Engine Purchase Agreement 2019-2021 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 other 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.

III. PROPOSED CAPS AND HISTORICAL TRANSACTION VALUE

Existing Caps and historical transaction value

Resolution(s) in respect of the Non-exempted Continuing Connected Transactions and the Proposed Caps for the Non-exempted Continuing Connected Transactions shall be put forward to the Independent Shareholders at the Extraordinary General Meeting to seek their approval for the Non-exempted Continuing Connected Transactions and the Proposed Caps for the Non-exempted Continuing Connected Transactions set opposite each of the Continuing Connected Transactions falling within the categories C1 to C4 set out in the table headed “The Proposed Caps” below.

The Company shall comply with the applicable requirements under the Listing Rules in the event that (i) any of the Exempted Continuing Connected Transactions falling within the categories A1 to A2 under section headed “Continuing Connected Transactions” and B1 to B2 under the 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 Proposed Caps for the Continuing Connected Transactions set out in the table headed “The Proposed Caps” below.

The following table sets out (i) the Existing Caps of the Continuing Connected Transactions 2016-2018 for each of the three financial years ending 31 December 2018; and (ii) the actual sales/purchases/rental of the Continuing Connected Transactions 2016-2018 for the two financial years ended 31 December 2017 and the six months ended 30 June 2018:

Continuing Connected Transactions	Major type of products/services	For the financial year ended 31 December 2016		For the financial year ended 31 December 2017		For the financial year ending 31 December 2018	For the six months ended 30 June 2018
		Existing Cap (RMB'000)	Actual sales/ purchases/ rental (RMB'000)	Existing Cap (RMB'000)	Actual sales/ purchases/ rental (RMB'000)	Existing Cap (RMB'000)	Actual sales/ purchases/ rental (RMB'000)
B. Continuing Connected Transactions which are subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders’ approval requirements set out in Chapter 14A of the Listing Rules							
1.	Rental of factory premises from Shenyang Brilliance Power	6,000	6,000	6,000	6,000	6,000	2,326
2.	Procurement of construction and building maintenance services from Mianyang Xin Xinmao	15,307	6,968	11,495	2,725	11,495	0
C. Continuing Connected Transactions which are subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements as set out in Chapter 14A of the Listing Rules							
1.	Purchase of engine components from Brilliance China Group	55,919	39,400	58,714	42,337	61,650	25,716
2.	Sale of engines and engine components to Huachen Group	1,374,440	969,004	1,442,263	891,316	2,118,086	411,311
3.	Sale of engines and engine components to Brilliance China Group	769,997	354,379	808,991	323,029	848,781	221,076
4. (a)	Purchase of engine components from Sichuan Pushi	28,550	7,737	30,000	11,287	31,500	7,363
(b)	Purchase of engine components from Xinhua Combustion Engine	180,850	93,675	186,870	93,790	193,180	86,559
	<i>Sub-total of 4(a) and 4(b)</i>	<u>209,400</u>	<u>101,412</u>	<u>216,870</u>	<u>105,077</u>	<u>224,680</u>	<u>93,922</u>

The Proposed Caps

The following table sets out the Proposed Caps for the Continuing Connected Transactions 2018-2020 for the three financial years ending 31 December 2020:

Continuing Connected Transactions	Major type of products/services	For the financial year ending 31 December		
		2018 Proposed Cap (‘000)	2019 Proposed Cap (‘000)	2020 Proposed Cap (‘000)
A. Continuing Connected Transactions which are subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders’ approval requirements set out in Chapter 14A of the Listing Rules				
1. Purchase of engine components from Huachen	Engine components	RMB7,790 (Note 1)	RMB12,100	RMB9,210
2. Licence from Brilliance China for use of office premises, ancillary utilities and office supplies	Use of office premises, ancillary utilities and office supplies	HK\$3,800 (Note 2)	HK\$4,300	HK\$4,300

Notes:

- Such Proposed Cap is the sum of (a) the annual cap for the year ending 31 December 2018 for the purchase of various engine components (including the Remaining Materials) by the Group from the Huachen Group under the Huachen Purchase Agreement as mentioned in the 2015 Announcement; and (b) the proposed annual cap for the year ending 31 December 2018 for the purchase of various engine components (which do not involve the Remaining Materials) by the Group from the Huachen Group under the Huachen Purchase Agreement 2018-2020.
- Such Proposed Cap takes into account (a) the total licence fees for the eight months ended 31 August 2018 paid by the Company under the licence agreement between Brilliance China and the Company as referred to in the paragraph headed “I. Continuing Connected Transactions – A. Exempted Continuing Connected Transactions – 2. Licence from Brilliance China to the Company for use of office premises, ancillary utilities and office supplies” above in this announcement; and (b) the licence fees for the four months ending 31 December 2018 to be paid by the Company to Brilliance China under the Brilliance China Licence Agreements 2018-2020.

The following table sets out the Proposed Caps for the Continuing Connected Transactions 2019-2021 for the three financial years ending 31 December 2021:

Continuing Connected Transactions	Major type of products/services	For the financial year ending 31 December		
		2019 Proposed Cap (RMB'000)	2020 Proposed Cap (RMB'000)	2021 Proposed Cap (RMB'000)
B. Continuing Connected Transactions which are subject to the reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements set out in Chapter 14A of the Listing Rules				
1. Rental of factory premises from Shenyang Brilliance Power	Rental of factory premises	6,000	6,000	6,000
2. Procurement of construction and building maintenance services from Mianyang Xin Xinmao	Construction services for the properties at the production sites, including roads and wall, as well as maintenance of the same	3,000	2,000	1,000
C. Continuing Connected Transactions which are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules				
1. Purchase of engine components from Brilliance China Group	Engine components	46,400	39,100	74,600
2. Sale of engines and engine components to Huachen Group	Engines and engine components	772,800	517,700	510,200
3. Sale of engines and engine components to Brilliance China Group	Engines and engine components	1,754,500	1,775,000	2,600,000
4. (a) Purchase of engine components from Sichuan Pushi	Engine components	18,800	17,200	17,200
(b) Purchase of engine components from Xinhua Combustion Engine	Engine components	194,900	179,500	174,200
	<i>Sub-total of 4(a) and 4(b)</i>	<u>213,700</u>	<u>196,700</u>	<u>191,400</u>

Basis for determining the Proposed Caps

The Proposed Caps are primarily based on the following:

- (i) the historical rentals of the Office Premises and the estimated increment in the rentals with reference to the prevailing market price of office properties in the same area;
- (ii) the historical amounts paid by Brilliance China for the relevant ancillary utilities and office supplies in respect of the Office Premises;
- (iii) the historical rentals of the Factory Premises and the estimated increment in the rentals with reference to the prevailing market price of factory properties in the same district;
- (iv) the expected need for the construction and the maintenance of the production sites of the Group;
- (v) 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;
- (vi) 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
- (vii) the expected unit sale and purchase prices for the engines and engine components.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

In the ordinary course of business of the Group, the Group purchases various types of engine components from the Huachen Group, 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 Huachen Group and the Brilliance China Group. The Group also procures construction and building maintenance services from Mianyang Xin Xinmao.

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

- The Company can (i) enjoy economies of scale brought about by the sharing of the Office Premises and the facilities, which will maximize cost efficiency; and (ii) save costs in setting up a new office.
- Mianyang Xin Xinmao has been providing construction and building maintenance services to Mianyang Xincheng. Mianyang Xin Xinmao is familiar with the requirements of Mianyang Xincheng and able to provide better services to Mianyang Xincheng.

- Mianyang Xincheng acquired an E3 engines and a connecting rod production lines and certain inventory in the E2 Factory from Huachen in January 2014. The Factory Premises is part of the E2 Factory where the E3 engines and connecting rod production lines are situated. Hence, the Factory Premises is required for the accommodation of the production lines.
- Engine components supplied by certain members of the Huachen Group, 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 Huachen Group for use in manufacturing Zhonghua autos, a wholly-owned business operated by the Huachen Group. Such engines are developed and produced according to the specifications required by the Huachen Group.
- The Group sells its engines to the Brilliance China Group for use in manufacturing Jinbei minibuses, 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 Group sells N20 engines, prince engines and 1.2L displacement engines to the Brilliance China Group for use in manufacturing new premium MPV and SUV, which broadens the customer base and increases the demand for these types of engines.

In the premises, the Directors (excluding Directors who abstained from voting on certain resolutions but including the independent non-executive Directors) consider the Exempted Continuing Connected Transactions 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 relevant caps) governing the Exempted Continuing Connected Transactions to be fair and reasonable.

The Directors (excluding Directors who abstained from voting on certain 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 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 relevant caps) governing the Non-exempted Continuing Connected Transactions to be fair and reasonable.

V. 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 passenger vehicles in the PRC.

The Huachen Group

Huachen

Huachen is a state-owned limited liability company established under the laws of the PRC and is wholly and beneficially owned by the People's Government of Liaoning Province of the PRC. The principal activities of the Huachen Group include but are not limited to investment holding, and manufacture and sale of Zhonghua (中華) branded sedans.

As at the date of this announcement, Huachen owns approximately 42.32% of the issued share capital of Brilliance China and is deemed as a connected person of the Company by the Stock Exchange.

Shenyang Brilliance Power

Shenyang Brilliance Power is owned as to 51% by Huachen and as to 49% by Brilliance China and is a connected person of the Company. The principal activities of Shenyang Brilliance Power include the research and development, manufacture and sale of automotive engine powertrains and components, and wholesale of automotive components.

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.

Sichuan Pushi

Sichuan Pushi is a wholly-owned subsidiary of Wuliangye and a connected person of the Company. The principal activities of Sichuan Pushi are machinery manufacturing (including automotive components and engine components) and polymer raw materials and deep processing.

Mianyang Xin Xinmao

Mianyang Xin Xinmao is a non wholly-owned subsidiary of Wuliangye and a connected person of the Company. The principal activities of Mianyang Xin Xinmao are civil construction and services.

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.

VI. LISTING RULES IMPLICATIONS

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. Accordingly, each of Brilliance China and Wuliangye is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Huachen, being interested in approximately 42.32% of the issued share capital of Brilliance China, is a controlling shareholder of Brilliance China. It is deemed as a connected person of the Company by the Stock Exchange under Rule 14A.07(6) 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 are, on an annual basis, over 0.1% but all of them are less than 5%, the Exempted Continuing Connected Transactions are 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.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Non-exempted Continuing Connected Transactions are, on an annual basis, over 5%, the Non-exempted Continuing Connected Transactions are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Mr. Wu Xiao An, an executive Director, is also the chairman and an executive director of Brilliance China and a director of Huachen. Mr. Liu Tongfu, a non-executive Director, is also a director of Huachen. Accordingly, Mr. Wu Xiao An and Mr. Liu Tongfu abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions between the Group and the Brilliance China Group and those between the Group and the Huachen Group.

Mr. Wang Yunxian, an executive Director, is also a director of Mianyang Huarui Automotive Company Limited* (綿陽華瑞汽車有限公司) (which is a wholly-owned subsidiary of Huachen) and a director of Xinhua Investment Holdings Limited (which is a wholly-owned subsidiary of Xinhua Combustion Engine). Accordingly, Mr. Wang Yunxian abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions between the Group and the Huachen Group and those between the Group and the Wuliangye Group.

Mr. Yang Ming, a non-executive Director, is also a director 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 between the Group and the Wuliangye Group.

The Board confirms that (i) except for Mr. Wu Xiao An, Mr. Wang Yunxian and Mr. Liu Tongfu, none of the Directors has any material interest in the Continuing Connected Transactions between the Group and the Huachen Group; (ii) except for Mr. Wu Xiao An and Mr. Liu Tongfu, none of the Directors has any material interest in the Continuing Connected Transactions between the Group and the Brilliance China Group; and (iii) except for Mr. Wang Yunxian and Mr. Yang Ming, none of the Directors has any material interest in the Continuing Connected Transactions between the Group and the Wuliangye Group. Accordingly, none of the Directors (except for Mr. Wu Xiao An, Mr. Wang Yunxian, Mr. Liu Tongfu 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.

VII. GENERAL

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

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

A circular containing, amongst other things, details of the Non-exempted Continuing Connected Transactions and the Proposed Caps for the Non-exempted Continuing Connected Transactions, 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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions, in accordance with the requirements of the Listing Rules, will be despatched to the Shareholders on or before 8 November 2018.

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. Huachen, being interested in approximately 42.32% of the issued share capital of Brilliance China, is a controlling shareholder of Brilliance China. As at the date of this announcement, (i) Mr. Wu Xiao An, an executive Director and Chairman of the Company, is interested and deemed to be interested in an aggregate of 42,313,426 Shares, representing approximately 3.30% of the issued share capital of the Company; and (ii) Mr. Wang Yunxian, an executive Director and the Chief Executive Officer of the Company, is interested and deemed to be interested in an aggregate of 40,464,528 Shares, representing approximately 3.15% of the issued share capital of the Company. Brilliance China, Mr. Wu Xiao An, Mr. Wang Yunxian and their respective associates will abstain from voting on the ordinary resolutions to be proposed at the Extraordinary General Meeting in respect of the Non-exempted Continuing Connected Transactions between the Group and the Brilliance China Group and those between the Group and the Huachen Group and the Proposed Caps in respect of the Non-exempted Continuing Connected Transactions between the Group and the Brilliance China Group and those between the Group and the Huachen Group, respectively. Wuliangye, Mr. Wang Yunxian and their respective associates will abstain from voting on the ordinary resolutions to be proposed at the Extraordinary General Meeting in respect of the Non-exempted Continuing Connected Transactions between the Group and the Wuliangye Group and the Proposed Caps in respect of the Non-exempted Continuing Connected Transactions between the Group and the Wuliangye Group.

VIII. DEFINITIONS

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

“2015 Announcement”	the announcement dated 13 October 2015 made by the Company in relation to, among others, continuing connected transactions of the Company;
“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 Licence Agreements 2018-2020”	the framework agreement entered into between the Company and Brilliance China on 18 October 2018 in relation to, among others, the licence by Brilliance China to the Company for the use of part of the Office Premises, ancillary utilities and office supplies, together with a licence dated 18 October 2018 between Brilliance China as licensor and the Company as licensee in relation to the licence of part of the Office Premises;
“Brilliance China Purchase Agreement”	the framework agreement entered into between the Company and Brilliance China on 13 October 2015 in relation to the purchase of engine components from the Brilliance China Group;
“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 Sale Agreement”	the framework agreement entered into between the Company and Brilliance China on 13 October 2015 in relation to the sale of engines and engine components to 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 engines 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”	the Continuing Connected Transactions 2018-2020 and the Continuing Connected Transactions 2019-2021;
“Continuing Connected Transactions 2016-2018”	the transactions between members of the Group and the connected persons of the Company as contemplated under the Existing Lease Agreement, the Wuliangye Construction Services Agreement, the Brilliance China Purchase Agreement, the Huachen Sale Agreement, the Brilliance China Sale Agreement, the Sichuan Pushi Purchase Agreement and the Xinhua Combustion Engine Purchase Agreement;
“Continuing Connected Transactions 2018-2020”	the transactions between members of the Group and the connected persons of the Company as set out in the section headed “Continuing Connected Transactions” in this announcement;
“Continuing Connected Transactions 2019-2021”	the transactions between members of the Group and the connected persons of the Company as set out in the section headed “Renewal of Continuing Connected Transactions” in this announcement;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“E2 Factory”	the factory located in No. 12, the 8 Road, Economic and Technological Development Zone, Shenyang, Liaoning Province, the PRC;

“Exempted Continuing Connected Transactions”	for the purpose of this announcement, the Continuing Connected Transactions falling within the categories A1 to A2 under the section headed “Continuing Connected Transactions” and the categories B1 to B2 under section headed “Renewal of Continuing Connected Transactions” 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 2016-2018 as stated in the 2015 Announcement;
“Existing Lease Agreement”	the lease agreement entered into between Shenyang Brilliance Power and Mianyang Xinchun on 13 October 2015 in respect of the Factory Premises;
“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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions;
“Factory Premises”	the factory premises with a total area of 20,833 square metres which are part of the E2 Factory, the related land use right and ancillary assets;
“Framework Agreements 2019-2021”	the Brilliance China Purchase Agreement 2019-2021, the Huachen Sale Agreement 2019-2021, the Brilliance China Sale Agreement 2019-2021 and the Wuliangye Purchase Agreements 2019-2021;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Huachen”	Huachen Automotive Group Holdings Company Limited* (華晨汽車集團控股有限公司), a state-owned company incorporated in the PRC and a controlling shareholder of Brilliance China;
“Huachen Group”	Huachen and its subsidiaries;

“Huachen Lease Agreement 2019-2021”	the lease agreement entered into between Shenyang Brilliance Power and Mianyang Xincheng on 18 October 2018 in respect of the Factory Premises;
“Huachen Purchase Agreement”	the framework agreement entered into between the Company and Huachen on 13 October 2015 in relation to the purchase of various engine components (including the Remaining Materials) from the Huachen Group;
“Huachen Purchase Agreement 2018-2020”	the framework agreement entered into between the Company and Huachen on 18 October 2018 in relation to the purchase of engine components from the Huachen Group;
“Huachen Sale Agreement”	the framework agreement entered into between the Company and Huachen on 13 October 2015 in relation to the sale of engines and engine components to the Huachen Group;
“Huachen Sale Agreement 2019-2021”	the framework agreement entered into between the Company and Huachen on 18 October 2018 in relation to the sale of engines and engine components to the Huachen Group;
“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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions;
“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; and (ii) the Proposed Caps for the Non-exempted Continuing Connected Transactions;

“Independent Shareholders”	Shareholder(s) other than Brilliance China, Mr. Wu Xiao An, Mr. Wang Yunxian and their respective associates in respect of the Non-exempted Continuing Connected Transactions between the Group and the Brilliance China Group and those between the Group and the Huachen Group or Shareholder(s) other than Wuliangye, Mr. Wang Yunxian and their respective associates in respect of the Non-exempted Continuing Connected Transactions between the Group and the Wuliangye Group;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mianyang Xin Xinmao”	Mianyang Xin Xinmao Trading Co., Ltd.* (綿陽新鑫茂商貿有限公司) (previous known as Mianyang Jianmen Real Estate Development and Construction Co., Ltd.* (綿陽劍門房地產開發建設有限責任公司)), a company incorporated in the PRC and a non wholly-owned subsidiary of Wuliangye;
“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”	for the purpose of this announcement, the Continuing Connected Transactions falling within the categories C1 to C4 under the section headed “Renewal of Continuing Connected Transactions” and subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements as set out in Chapter 14A of the Listing Rules;
“Office Premises”	the office premises situated at Suites 1602-1605, 16th Floor, Chater House, 8 Connaught Road Central, Hong Kong;
“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 estimated annual monetary value of the Continuing Connected Transactions 2018-2020 for the three financial years ending 31 December 2020 and the Continuing Connected Transactions 2019-2021 for the three financial years ending 31 December 2021;

“Remaining Materials”	certain materials, tools, equipments and repair parts and products for production of E3 engines;
“Share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.01 each;
“Shareholder(s)”	holder(s) of Share(s);
“Shenyang Brilliance Power”	Shenyang Brilliance Power Train Machinery Co., Ltd.* (瀋陽華晨動力機械有限公司), a company established in the PRC and a non wholly-owned subsidiary of Huachen;
“Sichuan Pushi”	Sichuan Yibin Pushi Automotive Components Co., Ltd.* (四川省宜賓普什汽車零部件有限公司), a company established in the PRC and a wholly-owned subsidiary of Wuliangye;
“Sichuan Pushi Purchase Agreement”	the framework agreement entered into between Mianyang Xinchen and Sichuan Pushi on 13 October 2015 in relation to the purchase of engine components from Sichuan Pushi;
“Sichuan Pushi Purchase Agreement 2019-2021”	the framework agreement entered into between Mianyang Xinchen and Sichuan Pushi on 18 October 2018 in relation to the purchase of engine components from Sichuan Pushi;
“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 Construction Services Agreement”	the framework agreement entered into between the Company and Mianyang Xin Xinmao on 13 October 2015 in relation to the procurement of construction and building maintenance services from Mianyang Xin Xinmao;
“Wuliangye Construction Services Agreement 2019-2021”	the framework agreement entered into between the Company and Mianyang Xin Xinmao on 18 October 2018 in relation to the procurement of construction and building maintenance services from Mianyang Xin Xinmao;

“Wuliangye Group”	Wuliangye and its subsidiaries;
“Wuliangye Purchase Agreements 2019-2021”	the Sichuan Pushi Purchase Agreement 2019-2021 and the Xinhua Combustion Engine Purchase Agreement 2019-2021;
“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”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 13 October 2015 in relation to the purchase of engine components from Xinhua Combustion Engine;
“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;
“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, 18 October 2018

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 purpose only