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POWER XINCHEN

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XINCHEN CHINA POWER HOLDINGS LIMITED

新晨中國動力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1148)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board announces that on 28 October 2014, Mianyang Xincheng, a wholly-owned subsidiary of the Company, as borrower and the Company as the guarantor entered into a Facility Letter with a financial institution.

The Facility Letter imposes, among other things, covenants relating to the minimum percentage of shareholding of the Company's controlling shareholders in the Company.

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors (the "**Board**") of Xincheng China Power Holdings Limited (the "**Company**") announces that on 28 October 2014, Mianyang Xincheng Engine Co., Ltd.* (綿陽新晨動力機械有限公司) ("**Mianyang Xincheng**"), a wholly-owned subsidiary of the Company, as borrower (the "**Borrower**") and the Company as guarantor entered into a banking facility agreement (the "**Facility Letter**") with a financial institution as lender (the "**Lender**") for a term loan facility of up to US\$60,000,000 (the "**Facility**"). The Lender is an independent third party and not a connected person of the Company.

The Facility is repayable in full on the date falling 36 months from the first date of drawdown by five semi-annual instalments, the first instalment repayment commencing twelve months after the first date of drawdown. As at the date of this announcement, the first drawdown has not yet occurred. The Facility will be used to finance the working capital and the capital expenditure requirements of the Borrower.

Pursuant to the Facility Letter, it shall be an event of default if:

- (1) Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*) (“**Brilliance China**”), a controlling shareholder of the Company, holds less than 25% (directly or indirectly) of the shareholding interest in the Company in aggregate; or
- (2) Sichuan Province Yibin Wuliangye Group Co., Ltd.* (四川省宜賓五糧液集團有限公司) (“**Wuliangye**”), a controlling shareholder of the Company, holds less than 25% (directly or indirectly) of the shareholding interest in the Company in aggregate.

If an event of default under the Facility Letter occurs, the Lender may, by notice to the Borrower, cancel the commitments under the Facility Letter and/or declare that all or part of the loan(s) together with interest accrued thereon and all other amounts accrued or payable under the Facility Letter to be immediately due and payable.

As at the date of this announcement, Brilliance China (directly or indirectly) is deemed or taken to be interested in 31.07% of the issued share capital of the Company and Wuliangye (directly or indirectly) is deemed or taken to be interested in 31.07% of the issued share capital of the Company.

The Company will continue to comply with its continuing disclosure requirements under the Listing Rules for so long as such obligations remain.

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

Hong Kong, 28 October 2014

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. Qi Yumin and Mr. Tang Qiao; and four independent non-executive Directors, Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin.

* for identification purposes only