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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)

RESIGNATION AND APPOINTMENT OF DIRECTORS

The Board announces that with effect from 4 September 2014, Mr. Li Peiqi resigned as a Non-executive Director of the Company and Mr. Tang Qiao has been appointed as the Non-executive Director of the Company.

RESIGNATION OF MR. LI PEIQI AS NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of Xincheng China Power Holdings Limited (the “**Company**”) announces that Mr. Li Peiqi (“**Mr. Li**”) has resigned as a Non-executive Director with effect from 4 September 2014 as Mr. Li has reached his retirement age and wish to step down from his role at the Company.

A letter of resignation was signed by Mr. Li who confirmed that he has no claim against the Company in respect of fees or in respect of compensation for loss of office. Mr. Li has also confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation of Non-executive Director that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to express its gratitude to Mr. Li for his valuable contribution to the Board during his tenure of office.

APPOINTMENT OF MR. TANG QIAO AS NON-EXECUTIVE DIRECTOR

The Board has approved the appointment of Mr. Tang Qiao (“**Mr. Tang**”) as a Non-executive Director with effect from 4 September 2014.

Biographical details of Mr. Tang

Mr. Tang Qiao, aged 60, is a postgraduate, senior economist, member of Communist Party of China, and National People’s Congress of the People’s Republic of China delegate. Since he began working in 1972, he has been appointed as the production deputy chief of Yi Bin

Region Planning Economic Committee, the vice director of Yibin Machinery Factory, the planning chief of Yi Bin Region Planning Economic Committee, the deputy director and a member of Party Committee of the Statistical Bureau, the director and the vice deputy secretary of Yibin Paper Machinery Factory, the commissioner and the party secretary of Yi Bin Region Planning Commission, the director and the secretary of Party Committee of the Price Bureau, the director of Resources Unit, Changning County Party secretary, the deputy mayor and a member of Party Committee of Yibin Municipal Government and the deputy secretary of Party Committee of State-owned Assets Supervision and Administration Commission in Yibin City, and a member of the Standing Committee of the Yibin Municipal Committee. He was the vice secretary of the party committee, the director and the president of Yibin Wuliangye Group Co., Ltd.* (四川省宜賓五糧液集團有限公司) (“**Yibin Wuliangye**”) and the director and the chairman of Wuliangye Yibin Co., Limited* (宜賓五糧液股份有限公司) (“**Wuliangye Yibin**”) since 2007. Wuliangye Yibin is a listed company on the Shenzhen Stock Exchange since 1998 with stock code 858. Mr. Tang was the vice secretary of the party committee, the director and the president of Yibin Wuliangye and the secretary of the party committee, the director and the chairman of Wuliangye Yibin since January 2011. He was the secretary of the party committee, the director and the president of Yibin Wuliangye and the secretary of the party committee and the chairman of Wuliangye Yibin since April 2011. He was the secretary of the party committee and the chairman of Yibin Wuliangye and the secretary of the party committee and the chairman of Wuliangye Yibin since June 2011. He is the secretary of party committee and the chairman of Yibin Wuliangye and the secretary of the party committee and the director of Wuliangye Yibin since September 2011. Mr. Tang was elected as the vice president of China National Food Industry Association in 2010. Save as disclosed above, Mr. Tang did not hold any major appointment or professional qualification or directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor does he hold any other positions with the Company and other members of the Company and/or its subsidiaries (the “**Group**”).

Terms of Office

Pursuant to the letter of appointment to be entered with Company, Mr. Tang is appointed as a Non-executive Director for an initial term of three years commencing from his appointment date subject to termination by either party with written notice. Pursuant to the articles of association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), Mr. Tang shall hold office until the next general meeting of the Company and, being eligible, offer himself for re-election and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Tang’s emoluments will be determined by the Board in the future with reference to the market conditions, the Group’s performance, his qualifications, experience, duties and responsibilities in the Group.

Disclosure under Rule 13.51(2)

On 29 April 2011, the China Securities Regulatory Commission (the “CSRC”) issued an administrative decision letter to Wuliangye Yibin imposing warnings and fines on Wuliangye Yibin and eight officers (including Mr. Tang) for four incidents of omissions in disclosures of Wuliangye Yibin’s public announcements between November 2007 and April 2009 and the annual report for the financial year 2007. The following are details of the four incidents:

(i) Failure to disclose relevant information about an investment in a third party after the third party entered into bankruptcy proceedings in 2004

The amount of the investment was RMB55 million. The non-disclosure was first raised by the Shenzhen Stock Exchange and the Sichuan Branch of the CSRC in March 2009 and subsequently disclosed by Wuliangye Yibin in its rectification announcement in March 2009. The CSRC concluded that the amount of the investment was not material, but nonetheless characterised the non-disclosure as a material omission.

(ii) Failure to disclose on a timely basis relevant information about an investment in a third party after the third party entered into bankruptcy proceedings in 2007

The amount of the investment was RMB87 million. Wuliangye Yibin made the relevant disclosure in its 2008 annual report. The CSRC characterised this as a failure to disclose information on a timely basis.

(iii) Failure to correct on a timely basis a typographical error in its 2007 annual report

The 2007 annual report wrongly disclosed “Revenue from Main Business” as RMB8,250,661,500 when it was RMB7,250,661,500. However, the figures for “Net Profit” and “Profit from Main Business” were correct. The correct disclosure was subsequently made in the interim report for the six months ended 30 June 2009. The CSRC characterised this as a failure to disclose information on a timely basis.

(iv) Failure to disclose on a timely basis that a director was subject to criminal proceedings

Wuliangye Yibin disclosed information about the proceedings involving a director in its 2007 annual report, which was filed two months after the proceedings commenced. The CSRC characterised this as a failure to disclose information on a timely basis.

The CSRC determined that since Mr. Tang was the chairman of the board of Wuliangye Yibin at the time, he should be perceived as being overall responsible for the disclosure obligations of Wuliangye Yibin and for establishing and maintaining an effective internal control system. As a result, Mr. Tang received a warning and a fine of RMB250,000 from the CSRC, together with Wuliangye Yibin and seven other senior management members. These fines were settled in 2011 and Mr. Tang continues to serve as director of Wuliangye Yibin.

Mr. Tang was appointed as chairman of Wuliangye Yibin in March 2007 and had no involvement with Wuliangye Yibin prior to such appointment. Some of the above non-disclosure issues arose in the period prior to his involvement with the company. In an effort to address the disclosure issues, Mr. Tang had in 2009 led the implementation of measures to improve Wuliangye Yibin’s internal control systems and corporate governance.

As disclosed above and as at the date hereof, Mr. Tang is also a director of Yibin Wuliangye, which is a subsidiary of Wuliangye Yibin and is one of the controlling shareholders of the Company, and Mr. Tang has held key senior management roles within the Yibin Wuliangye group.

Save as disclosed above and as at the date hereof, Mr. Tang does not have any relationship with any Director, senior management or substantial or controlling shareholder (as defined in the Listing Rules) of the Company, nor does he have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Tang confirmed that there is no other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to his appointment.

Suitability under Rules 3.08 and 3.09

Mr. Tang has been a director of Wuliangye Yibin since 2007 and is experienced with managing a listed company. He is also a director of Yibin Wuliangye, which is one of the controlling shareholders of the Company and has held key senior management roles within the Yibin Wuliangye group. Having a top senior management of the Yibin Wuliangye group also represented on the board would help represent the Company's interests within the Yibin Wuliangye group, and facilitate relations and communications between the Company and both of its key shareholders. Mr. Tang also has extensive experience in the local government and the Company believes that the appointment of such a senior figure to the Board would provide better communication channel, facilitate better relations with and obtain support from the local government.

As disclosed above pursuant to Rule 13.51(2) of the Listing Rules, the Company believes the CSRC disciplinary actions do not affect Mr. Tang's suitability to serve as a Director. The Company notes in particular that the CSRC did not require Mr. Tang to step down and he continues to serve as a director of Wuliangye Yibin. The Company is of the view that Mr. Tang is a suitable candidate to serve as a director under Rules 3.08 and 3.09 of the Listing Rules.

The Board would like to extend a warm welcome to Mr. Tang for joining the Board.

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

Hong Kong, 4 September 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