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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE ENGINE ASSEMBLY LINE
AND
(2) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

ASSETS TRANSFER AGREEMENT

On 3 October 2017 (after trading hours), Mianyang Xincheng, an indirect wholly-owned subsidiary of the Company, and BBA entered into the Assets Transfer Agreement pursuant to which BBA will transfer to Mianyang Xincheng the Acquired Assets at a Consideration of approximately RMB119.44 million (equivalent to approximately HK\$143.33 million).

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 3 October 2017, Mianyang Xincheng entered into (i) the Sichuan Anji Logistics Services Agreement with Sichuan Anji, a wholly-owned subsidiary of Wuliangye; and (ii) the Wuliangye Cleaning and Greening Services Agreement with Xinhua Combustion Engine, a non wholly-owned subsidiary of Wuliangye, as to the continued conduct of the Continuing Connected Transactions for the three financial years commencing from 1 January 2018 to 31 December 2020.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Brilliance China and Wuliangye are interested in 400,000,000 Shares 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 at the date of this announcement, Brilliance China is indirectly interested in 50% of the issued share capital of BBA. As BBA is an associate of Brilliance China, it is a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, Sichuan Anji is a wholly-owned subsidiary of Wuliangye and Xinhua Combustion Engine is a non wholly-owned subsidiary of Wuliangye. As each of Sichuan Anji and Xinhua Combustion Engine is an associate of Wuliangye, Sichuan Anji and Xinhua Combustion Engine are connected persons of the Company under Chapter 14A of the Listing Rules.

Mianyang Xinchun is an indirect wholly-owned subsidiary of the Company.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable and connected transaction of the Company and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and 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 Continuing Connected Transactions are, on an annual basis, over 0.1% but less than 5%, the Continuing Connected Transactions are subject to the reporting, announcement, annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin, being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the terms of the Assets Transfer Agreement.

The Company has appointed the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Assets Transfer Agreement.

A circular containing, amongst other things, (i) details of the Assets Transfer Agreement; (ii) the letter from the Independent Board Committee to the Independent Shareholders, setting out its recommendations in connection with the Assets Transfer Agreement; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in connection with the Assets Transfer Agreement; and (iv) a notice to the Shareholders convening the Extraordinary General Meeting to approve the transactions contemplated under the Assets Transfer Agreement in accordance with the requirements of the Listing Rules, will be despatched to the Shareholders on or before 25 October 2017.

I. ASSETS TRANSFER AGREEMENT

On 3 October 2017 (after trading hours), Mianyang Xincheng, an indirect wholly-owned subsidiary of the Company, and BBA entered into the Assets Transfer Agreement in connection with the Acquisition by Mianyang Xincheng of the Acquired Assets from BBA.

Date: 3 October 2017 (after trading hours)

Transferor: BBA

Transferee: Mianyang Xincheng

Consideration:

The Consideration for the Acquired Assets is approximately RMB119.44 million (equivalent to approximately HK\$143.33 million), was agreed upon between BBA and Mianyang Xincheng through arm's length negotiations after taking account of: (a) the book value of the Acquired Assets of approximately RMB95.25 million (equivalent to approximately HK\$114.30 million) as at 31 August 2017; (b) 5% margin on the book value of the Acquired Assets of approximately RMB4.76 million (equivalent to approximately HK\$5.71 million); (c) value added tax of approximately RMB17.35 million (equivalent to approximately HK\$20.83 million); and (d) surcharge of approximately RMB2.08 million (equivalent to approximately HK\$2.49 million). The Consideration will be settled by internal resources and bank borrowing.

The Consideration shall be payable as to approximately RMB35.83 million (equivalent to approximately HK\$43.00 million) within 5 days after the approval of the transactions contemplated under the Assets Transfer Agreement as required by the Listing Rules by the Independent Shareholders at the Extraordinary General Meeting and shall be no later than 30 November 2017; and as to approximately RMB83.61 million (equivalent to approximately HK\$100.33 million) on or before 31 December 2018.

The original purchase costs of the Acquired Assets were approximately RMB137.69 million (equivalent to approximately HK\$165.22 million).

Conditions Precedent:

Closing of the Assets Transfer Agreement will occur after the satisfaction of the following conditions precedent:

- (i) the Consideration being fully paid by or on behalf of Mianyang Xincheng to BBA;

- (ii) BBA having obtained the approval from the competent customs authority and, if required by such customs authority, paid the relevant duty and tax in respect of the transfer of imported Acquired Assets under customs custody (if any) pursuant to the applicable laws;
- (iii) the passing by the requisite majority of the Independent Shareholders at the Extraordinary General Meeting of all resolutions required under the Listing Rules (if any) to approve the transactions contemplated under the Assets Transfer Agreement;
- (iv) all necessary approvals, permits, licenses, registrations and filings from the competent development and reform commission and other related governmental authorities regarding environment protection and urban planning for the transactions contemplated under the Assets Transfer Agreement being obtained by Mianyang Xincheng (if any);
- (v) each party having obtained all necessary approvals from its shareholders or board of directors as required for the transactions contemplated under the Assets Transfer Agreement in accordance with its articles of association; and
- (vi) each related transaction document has been duly executed by the relevant parties, and there is no reasonable suspicion that any of such transaction documents may not come into effect in accordance with its terms and conditions.

Closing:

Subject to the satisfaction or waiver (by the party or parties who have the right to do so) of the conditions, the parties agree that Closing shall take place on the day on which the Consideration has been fully paid by Mianyang Xincheng, and shall be no later than 31 December 2018. On the date of Closing, the title of the Acquired Assets will pass to Mianyang Xincheng.

II. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 3 October 2017, Mianyang Xincheng entered into (i) the Sichuan Anji Logistics Services Agreement with Sichuan Anji, a wholly-owned subsidiary of Wuliangye; and (ii) the Wuliangye Cleaning and Greening Services Agreement with Xinhua Combustion Engine, a non wholly-owned subsidiary of Wuliangye, as to the continued conduct of the Continuing Connected Transactions for the three financial years commencing from 1 January 2018 to 31 December 2020.

1. Provision of logistics services by Sichuan Anji

Background

Reference is made to the announcement made by the Company dated 13 October 2015, relating to, among others, the Sichuan Anji Logistics Services Agreement 2015. Pursuant to the Sichuan Anji Logistics Services Agreement 2015, Sichuan Anji agreed to provide logistics services to Mianyang Xinchun, which term of service will expire on 31 December 2017. Mianyang Xinchun intends to continue to procure logistics services from Sichuan Anji.

Sichuan Anji Logistics Services Agreement

Date	:	3 October 2017
Parties	:	(1) Mianyang Xinchun, as the service recipient; and (2) Sichuan Anji, as the service provider
Term	:	The Sichuan Anji Logistics Services Agreement shall be for a term commencing from 1 January 2018 and ending on 31 December 2020. Unless the Sichuan Anji Logistics Services Agreement is terminated prior to its expiry date, the agreement is renewable for 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, Sichuan Anji will provide logistics services to Mianyang Xinchun.
Consideration	:	The price for the logistics services to be provided by Sichuan Anji is determined by reference to the prevailing market price.

Pricing policy

Prevailing market price means the price at which the same type of services is obtained from independent third party suppliers within the proximity on normal commercial terms in the ordinary course of business. For the purpose of obtaining market prices, Mianyang Xinchun will make reference to the price quotations obtained from other independent suppliers for services of comparable quality, quantity and specifications. In any event, terms of each procurement of services from Sichuan Anji will be no less favourable than the terms which can be obtained from independent third party suppliers for providing logistics services of comparable quality, quantity and specifications.

2. Procurement of cleaning and greening services from Xincheng Combustion Engine

Background

Reference is made to the announcement made by the Company dated 13 October 2015, relating to, among others, the Wuliangye Cleaning and Greening Services Agreement 2015. Pursuant to the Wuliangye Cleaning and Greening Services Agreement 2015, Mianyang Xincheng agreed to procure cleaning and greening services from Xinhua Combustion Engine, which term of service will expire on 31 December 2017. Mianyang Xincheng intends to continue to procure cleaning and greening services from Xinhua Combustion Engine.

Wuliangye Cleaning and Greening Services Agreement

Date	:	3 October 2017
Parties	:	(1) Mianyang Xincheng, as the service recipient; and (2) Xinhua Combustion Engine, as the service provider
Term	:	The Wuliangye Cleaning and Greening Services Agreement shall be for a term commencing from 1 January 2018 and ending on 31 December 2020. Unless the Wuliangye Cleaning and Greening Services Agreement is terminated prior to its expiry date, the agreement is renewable for 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 will procure cleaning and greening services from Xinhua Combustion Engine.
Consideration	:	The price for the cleaning and greening services to be provided by Xinhua Combustion Engine is determined by reference to the prevailing market price.

Pricing policy

Prevailing market price means the price at which the same type of service is obtained from independent third party service provider within the proximity of the relevant production site on normal commercial terms in the ordinary course of business. For the purpose of obtaining market prices, Mianyang Xinchen will make reference to the price quotations obtained from other independent service providers for services of comparable quality and specifications. In any event, terms of each procurement of services from Xinhua Combustion Engine will be no less favourable than the terms which can be obtained from independent third party service provider for providing cleaning and greening services of comparable quality and specifications.

III. PROPOSED ANNUAL CAPS AND HISTORICAL TRANSACTION VALUE

Original Annual Caps and historical transaction value

The Company shall comply with the applicable requirements under the Listing Rules in the event that (i) any of the Continuing Connected Transactions ceases to be exempted from the shareholders' approval requirements under the Listing Rules in the future; and (ii) any of the monetary value exceeds the Proposed Annual Caps for the Continuing Connected Transactions set out in the table headed "Proposed Annual Caps" below.

The following table sets out (i) the Original Annual Caps of the Continuing Connected Transactions 2015-2017 for each of the three financial years ending 31 December 2017; and (ii) the actual transaction amount of the Continuing Connected Transactions 2015-2017 for each of the two financial years ended 31 December 2016 and the six months ended 30 June 2017:

Continuing Connected Transactions	Major type of services	For the financial year ended 31 December 2015		For the financial year ended 31 December 2016		For the six months ended 30 June 2017	
		Original Annual Cap (RMB'000)	Actual transaction amount (RMB'000)	Original Annual Cap (RMB'000)	Actual transaction amount (RMB'000)	Original Annual Cap (RMB'000)	Actual transaction amount (RMB'000)
1. Provision of logistics services by Sichuan Anji	Logistics services	2,100	800	4,500	4,297	4,500	698
2. Procurement of cleaning and greening services from Xinhua Combustion Engine	Cleaning and greening services	2,600	2,579	2,600	2,263	2,600	192

Proposed Annual Caps

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

Continuing Connected Transactions	Major type of services	For the financial year ending 31 December		
		2018 Proposed Annual Cap (RMB'000)	2019 Proposed Annual Cap (RMB'000)	2020 Proposed Annual Cap (RMB'000)
1. Provision of logistics services by Sichuan Anji	Logistics services	17,800	26,700	35,600
2. Procurement of cleaning and greening services from Xinhua Combustion Engine	Cleaning and greening services	4,000	4,000	4,000

Basis for determining the Proposed Annual Caps

The Proposed Annual Caps are primarily based on the following:

- (i) the estimated logistic services required by the Group based on the estimated sale of the Group and the historical delivery requirements of potential customers; and
- (ii) the expected need for the cleaning and greening services in the production sites of the Group.

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

Assets Transfer Agreement

With the support from BMW AG, the Group has been developing new three cylinder 1.2L displacement engines. The Group decided to establish and develop its own production facilities for such engines in Shenyang after considering, among others, the location of existing production facilities of the Group and its management team, the location of the Group's existing and potential customers and strong support from local government of Shenyang.

Rather than acquiring a brand-new production line, the Group decided to acquire the Acquired Assets from BBA, which will then be modified and upgraded in order to enable it to produce three cylinder 1.2L displacement engines, after considering, among others, (i) the Acquired Assets are in a good condition, (ii) the Engine Assembly Line has been in operation for 2.5 years, the production processes of which have been optimised and proved to be stable and reliable, whereas the performance of a new production line may be relatively unstable, which may delay the three cylinder 1.2L displacement engines production commencement date (which is expected to be in second half of 2019), and (iii) the Group will be able to achieve certain degree of costs saving as the consideration for the Engine Assembly Line and the costs that may be involved for its enhancement and upgrade are cheaper than the costs such for a new production line.

The Directors (excluding Directors who had abstained from voting on the relevant Board resolutions and the independent non-executive Directors whose view will be given after considering the opinion from the Independent Financial Adviser) consider that the transactions contemplated under the Assets Transfer Agreement 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 Assets Transfer Agreement to be fair and reasonable.

Continuing Connected Transactions

In the ordinary course of business of the Group, the Group procures logistics services from Sichuan Anji, and cleaning and greening services from Xinhua Combustion Engine.

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

- Sichuan Anji is familiar with the Group's delivery requirement and able to provide quality and timely delivery services to the Group. The Group will be able to diversify operating risks by allocating delivery orders to a number of reliable transportation services providers, including Sichuan Anji.
- Xinhua Combustion Engine has been providing cleaning and greening services to the Group. Xinhua Combustion Engine is familiar with the requirement of the Group and able to provide better services to the Group.

The Directors (excluding Directors who had abstained from voting on the relevant Board resolutions but including the independent non-executive Directors) consider the 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 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 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, owned approximately 31.20% of the issued share capital of the Company and is a connected person of the Company.

BBA

BBA is a sino-foreign equity joint venture company incorporated in the PRC and is owned as to 50% by Shenyang Jinbei, an indirect wholly-owned subsidiary of Brilliance China, and 50% by BMW Holding B.V. The principal activities of BBA include but are not limited to manufacture and sale of BMW vehicles.

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.

Sichuan Anji

Sichuan Anji is a wholly-owned subsidiary of Wuliangye and a connected person of the Company. The principal activities of Sichuan Anji are freight transportation via road, rail and ocean, trade and transportation of dangerous goods, and trade of plastics goods.

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 Shares 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 at the date of this announcement, Brilliance China is indirectly interested in 50% of the issued share capital of BBA. As BBA is an associate of Brilliance China, it is a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, Sichuan Anji is a wholly-owned subsidiary of Wuliangye and Xinhua Combustion Engine is a non wholly-owned subsidiary of Wuliangye. As each of Sichuan Anji and Xinhua Combustion Engine is an associate of Wuliangye, Sichuan Anji and Xinhua Combustion Engine are connected persons of the Company under Chapter 14A of the Listing Rules.

Mianyang Xinchun is an indirect wholly-owned subsidiary of the Company.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable and connected transaction of the Company and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and 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 Continuing Connected Transactions are, on an annual basis, over 0.1% but less than 5%, the Continuing Connected Transactions are subject to the reporting, announcement, annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wu Xiao An, an executive Director, is also the chairman and an executive director of Brilliance China and a director of Huachen (which is a controlling shareholder of Brilliance China and deemed connected person of the Company by the Stock Exchange). Mr. Liu Tongfu, a non-executive Director, is also a director of Huachen (which is a controlling shareholder of Brilliance China and deemed connected person of the Company by the Stock Exchange). Accordingly, Mr. Wu Xiao An and Mr. Liu Tongfu are deemed to have a material interest in the transactions contemplated under the Assets Transfer Agreement and had abstained from voting on the Board resolutions in respect of the Assets Transfer Agreement. Apart from Mr. Wu Xiao An and Mr. Liu Tongfu, no other Directors were required to abstain from voting on the Board resolutions approving the Assets Transfer Agreement and the transactions contemplated thereunder.

Mr. Wang Yunxian, an executive Director, is also a director of Xinhua Investment Holdings Limited (which is a wholly-owned subsidiary of Xinhua Combustion Engine). Mr. Yang Ming, a non-executive Director, is also 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 and one of the controlling shareholders of the Company). Accordingly, Mr. Wang Yunxian and Mr. Yang Ming are deemed to have a material interest in the transactions contemplated under the Sichuan Anji Logistics Services Agreement and the Wuliangye Cleaning and Greening Services Agreement and the Proposed Annual Caps and had abstained from voting on the Board resolutions in respect of the Sichuan Anji Logistics Services Agreement, the Wuliangye Cleaning and Greening Services Agreement and the Proposed Annual Caps. Apart from Mr. Wang Yunxian and Mr. Yang Ming, no other Directors were required to abstain from voting on the Board resolutions approving the Sichuan Anji Logistics Services Agreement, the Wuliangye Cleaning and Greening Services Agreement, Continuing Connected Transactions and the Proposed Annual Caps.

VII. GENERAL

The Independent Board Committee, comprising Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin, being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the terms of the Assets Transfer Agreement.

The Company has appointed the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Assets Transfer Agreement.

A circular containing, amongst other things, (i) details of the Assets Transfer Agreement; (ii) the letter from the Independent Board Committee to the Independent Shareholders, setting out its recommendations in connection with the Assets Transfer Agreement; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in connection with the Assets Transfer Agreement; and (iv) a notice to the Shareholders convening the Extraordinary General Meeting to approve the transactions contemplated under the Assets Transfer Agreement in accordance with the requirements of the Listing Rules, will be despatched to the Shareholders on or before 25 October 2017.

VIII. DEFINITIONS

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

“Acquired Assets”	the Engine Assembly Line, the Affiliated Facilities and the Spare Parts
“Acquisition”	the acquisition of the Acquired Assets by Mianyang Xinchun as contemplated under the Assets Transfer Agreement
“Affiliated Facilities”	the equipment and facilities in connection with the operation of the Engine Assembly Line
“Assets Transfer Agreement”	an assets transfer agreement entered into between BBA and Mianyang Xinchun on 3 October 2017, pursuant to which BBA would transfer to Mianyang Xinchun the Acquired Assets
“associate”	has the meaning ascribed thereto in the Listing Rules
“BBA”	BMW Brilliance Automotive Ltd. (華晨寶馬汽車有限公司*), a sino-foreign equity joint venture company incorporated in the PRC which is owned as to 50% by Shenyang Jinbei (an indirect wholly-owned subsidiary of Brilliance China) and 50% by BMW Holdings B.V.
“BMW AG”	Bayerische Motoren Werke Aktiengesellschaft
“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
“Closing”	the closing for the Assets Transfer Agreement
“Company”	Xinchun China Power Holdings Limited (新晨中國動力控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration for the Acquired Assets under the Assets Transfer Agreement

“Continuing Connected Transactions”	the transactions contemplated under the Sichuan Anji Logistics Services Agreement and the Wuliangye Cleaning and Greening Services Agreement
“Continuing Connected Transactions 2015-2017”	the transactions contemplated under the Sichuan Anji Logistics Services Agreement 2015 and the Wuliangye Cleaning and Greening Services Agreement 2015
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Engine Assembly Line”	the production line for assembling the components and parts of N20 engines, which will be modified and upgraded by the Group for three cylinder 1.2L displacement engines
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened for the purpose of approving the transactions contemplated under the Assets Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, being Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Assets Transfer Agreement

“Independent Shareholder(s)”	Shareholder(s) other than Brilliance China and its associates
“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 an indirect wholly-owned subsidiary of the Company
“Original Annual Caps”	the original annual caps in respect of the Continuing Connected Transactions 2015-2017 for the three financial years ending 31 December 2015, 2016 and 2017
“PRC”	The People’s Republic of China
“Proposed Annual Caps”	the estimated annual monetary value of the Continuing Connected Transactions for the three financial years ending 31 December 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenyang Jinbei”	Shenyang Jinbei Automotive Industry Holdings Co., Ltd.* (瀋陽金杯汽車工業控股有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of Brilliance China
“Sichuan Anji”	Sichuan Province Yibin Wuliangye Group Anji Logistic Co.* (四川省宜賓五糧液集團安吉物流公司), a company incorporated in the PRC and a wholly-owned subsidiary of Wuliangye
“Sichuan Anji Logistics Services Agreement”	the framework agreement entered into between Mianyang Xincheng and Sichuan Anji on 3 October 2017 in relation to the procurement of logistics services from Sichuan Anji
“Sichuan Anji Logistics Services Agreement 2015”	the framework agreement entered into between Mianyang Xincheng and Sichuan Anji on 13 October 2015 in relation to the procurement of logistics services from Sichuan Anji

“Spare Parts”	the spare parts in connection with the operation of the Engine Assembly Line
“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 Cleaning and Greening Services Agreement”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 3 October 2017 in relation to the procurement of cleaning and greening services from Xinhua Combustion Engine
“Wuliangye Cleaning and Greening Services Agreement 2015”	the framework agreement entered into between Mianyang Xincheng and Xinhua Combustion Engine on 13 October 2015 in relation to the procurement of cleaning and greening services from Xinhua Combustion Engine
“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
“%”	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, 3 October 2017

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.20. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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 purposes only