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POWER XINCHEN

新 晨 動 力

XINCHEN CHINA POWER HOLDINGS LIMITED

新晨中國動力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1148)

CLARIFICATION ANNOUNCEMENT

MAJOR AND CONNECTED TRANSACTION – CALL OPTION

Reference is made to the announcement of the Company dated 11 April 2017 regarding the C3 Assets Transfer Agreement, the Call Option and the Consultation Framework Agreement (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Board wishes to clarify that when value added tax is included into the maximum exercise price of the Call Option, one or more of the applicable percentage ratios under the Listing Rules in respect of the Call Option exceed(s) 25% but is/are less than 100%. Therefore, the grant of the Call Option constitutes a major and connected transaction of the Company.

The above clarification does not affect any other information contained in the Announcement.

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

Hong Kong, 13 April 2017

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.