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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)

PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Company expects to record a profit of approximately RMB41.1 million attributable to its equity shareholders for the year ended 31 December 2023, as compared to a loss of approximately RMB115.8 million attributable to its equity shareholders for the year ended 31 December 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Xinchen China Power Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

As stated in the profit alert announcement of the Company dated 11 August 2023 and the interim results announcement dated 21 August 2023 where it was disclosed that, among other things, the Group recorded an unaudited consolidated net profit of approximately RMB21.74 million for the six months ended 30 June 2023 as compared to a loss for the same period of last year. The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Company expects to record a profit of approximately RMB41.1 million attributable to its equity shareholders for the year ended 31 December 2023, as compared to a loss of approximately RMB115.8 million attributable to its equity shareholders for the year ended 31 December 2022.

The aforesaid turnaround from the Group's loss for 2022 to the expected profit for 2023 was mainly attributable to the following reasons:

- 1) an increase in gross profit arising from trading of range extender gasoline engines;
- 2) an increase in share of profits of an associate, a company controlled by Li Auto Inc.;
- 3) an increase in sales of crankshaft and connecting rods post Covid-19; and
- 4) no unrealized foreign exchange loss was recognized at the end of the period as a loan denominated in foreign currency was fully repaid at the beginning of the period.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2023 along with the completion of the annual audit and the final figures may vary from those disclosed in this announcement. The information contained in this announcement is only based on the preliminary assessment by the Group's management of the unaudited consolidated management accounts of the Group and information currently available, and is not based on any figures or information that have been audited or reviewed by the Company's auditors. The Company expects that the announcement of the audited annual results of the Group for the year ended 31 December 2023 will be published in late March 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 March 2024

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. Deng Han (Chief Executive Officer); two non-executive directors, Mr. Han Song and Mr. Yang Ming; and four independent non-executive directors, Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Ms. Dong Yan.