

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 by the Group's management of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021, the Board expects that the Group will record an unaudited profit before income tax of approximately RMB32.0 million for such period, which compares to an unaudited loss before income tax of approximately RMB78.1 million for the six months ended 30 June 2020.

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

This announcement is made by Xincheng 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**").

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review by the Group’s management of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021, the Board expects that the Group will record an unaudited profit before income tax of approximately RMB32.0 million for such period, which compares to an unaudited loss before income tax of approximately RMB78.1 million for the six months ended 30 June 2020. Such an increase is mainly attributable to i) an increase in sales of engine components by the Group during the period, in particular, the sales of crankshafts owing to the increase in demand by customers; ii) an increase in unrealized foreign exchange gain in respect of bank loans denominated in USD in light of the appreciation in RMB against USD during the period, whereas there was unrealized foreign exchange loss in the same period in 2020; iii) less finance cost incurred as the total borrowings of the Group decreased; and iv) less provision for impairment loss made by the Group on certain trade receivables.

The Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2021. 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 the unaudited interim results of the Group for the six months ended 30 June 2021 will be published in late August 2021.

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, 30 July 2021

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, Ms. Ma Nina and Mr. Yang Ming; and four independent non-executive Directors, Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin.