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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)

**INSIDE INFORMATION –
PROPOSED DISPOSAL OF MORTGAGED ASSETS**

This announcement is made by Xincheng China Power Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules).

Reference is made to the announcement of the Company dated 11 May 2021 and the circular (the “**Circular**”) of the Company dated 30 July 2021 in relation to, among others, the connected transaction for the Company constituted by the financial assistance granted by BMW Brilliance Automotive Ltd.* (華晨寶馬汽車有限公司) to various subsidiaries of the Company. Capitalised terms used in this announcement shall have the same meaning as those defined in the Circular, unless the context otherwise requires.

As disclosed in the paragraph headed “Letter from the Board – Support Agreement – Mandatory repayment” in the Circular, the Potential Disposal is one of the means by which the Borrowers may repay the Loan and interest accrued thereon and if the Borrowers fail to initiate the Mortgaged Assets Public Listing Process within 20 business days after the obtaining of the approval of the Shareholders for all the transactions and matters covered by the Support Agreement, BBA may request early repayment of the Loan and interest accrued thereon by serving a written notice on the Borrowers.

The Board wishes to announce that on 12 April 2022, the Borrowers entered into an entrustment agreement for asset transfer (資產轉讓委託書) with Shenyang United Asset Rights Exchange Company Limited* (瀋陽聯合產權交易所有限公司) (“**Shenyang Asset Exchange**”) pursuant to which the Borrowers have entrusted Shenyang Asset Exchange with the Mortgaged Assets Public Listing Process for the proposed disposal of the Mortgaged Assets. It will be a condition of the Mortgaged Assets Public Listing Process that the winning bidder shall lease back the Mortgaged Assets to the Group for operation. It is expected that barring any unforeseen circumstances, the Mortgaged Assets Public Listing Process will commence on 12 April 2022 and will last for 20 working days. If no winning bidder is identified during such period, the Mortgaged Assets Public Listing Process will be extended for successive periods of 10 working days each until a winning bidder is identified or it is terminated by the Borrowers.

Should the Mortgaged Assets Public Listing Process materialize and proceed to produce a winning bidder to purchase the Mortgaged Assets, the disposal of the Mortgaged Assets by the Group through the Mortgaged Assets Public Listing Process and/or the related lease-back arrangement as mentioned above may constitute a notifiable transaction for the Company under the Listing Rules. The Company will comply with all applicable requirements under Chapter 14 of the Listing Rules in respect of such disposal.

Further announcement(s) will be made by the Company relating to the progress and details of the Mortgaged Assets Public Listing Process as and when appropriate.

Shareholders and potential investors of the Company should note that notwithstanding the progress mentioned above, the disposal of the Mortgaged Assets through the Mortgaged Assets Public Listing Process may or may not materialise as explained by the Board in the paragraph headed “Letter from the Board – Support Agreement – Mandatory repayment” in the Circular. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities 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, 12 April 2022

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. Han Song and Mr. Yang Ming; and three independent non-executive Directors, Mr. Chi Guohua, Mr. Wang Jun and Mr. Huang Haibo.

* *for identification purpose only*