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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)**

**ANNOUNCEMENT MADE PURSUANT TO RULES 13.51B(2) AND  
13.51(2) OF THE LISTING RULES**

This announcement is made by Xinchen China Power Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has been informed that Mr. Wu Xiao An (also known as Mr. Ng Siu On) (“**Mr. Wu**”), the chairman of the Board and an executive Director, received a Decision of Administrative Penalty (Document No. 10 of 2023) (行政處罰決定書[2023]10號) (the “**Decision**”) issued by the China Securities Regulatory Commission (the “**CSRC**”), which was delivered to his legal advisors, on 7 March 2023 against Mr. Wu, who has since 29 June 2020 ceased to be a director of Huachen Automotive Group Holdings Company Limited\* (華晨汽車集團控股有限公司) (“**Huachen**”), the controlling shareholder (as defined in the Listing Rules) of Brilliance China Automotive Holdings Limited (“**Brilliance China**”), which in turn is a controlling shareholder of the Company. The Decision states that Huachen has breached the Securities Law of the People’s Republic of China, on the basis that Huachen’s 2017 and 2018 annual reports contained misleading disclosures and such annual reports were used to obtain approvals from the CSRC and The Shanghai Stock Exchange for issuance of corporate bonds. The CSRC has decided to issue a warning and impose a fine of RMB200,000.

According to the Decision, Mr. Wu has made the defense that he has been diligently performing his duties as a director of Huachen and evidence proved that he had made appropriate enquiries in discharge of his duties as a director of Huachen. Mr. Wu believes that he should not be subject to penalty as his role at Huachen at the material time was largely confined to board level strategic decisions with focus on Huachen's investment in Brilliance China and not operational or financial matters and was never involved in the preparation of Huachen's financial statements. Pursuant to the Decision, Mr. Wu has the right to apply to the CSRC for an administrative review within 60 days of the date of receipt of the Decision, or he may directly bring an administrative lawsuit to the People's Court of jurisdiction within 6 months of the date of receipt of the Decision. The Company will make further announcement(s) if there is any significant update as and when appropriate.

The Group has no direct involvement in the abovementioned matters. The Company is of the view that the abovementioned matters will not have a material adverse impact on the business operation and financial position of the Group.

After due and careful consideration, the Board (excluding Mr. Wu who abstained from making any consideration and decision) takes the view that (i) as far as the Board is aware and save as disclosed in the Decision, Mr. Wu does not have any other non-compliance record during his directorship; and (ii) Mr. Wu has earnestly performed his duties during his tenure as the chairman of the Board and an executive Director by maintaining integrity, as well as making professional contributions to the Group, and has been instrumental to the Group's overall development. Based on the above reasons, the Board (excluding Mr. Wu who abstained from making any consideration and decision) is of the view that Mr. Wu is able to continue to fulfil his duties and is suitable to continue to act as the chairman of the Board and an executive Director.

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

Hong Kong, 13 March 2023

*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 purposes only*