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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)

**DECREASE IN EXPECTED LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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, the Company expects to record a loss before tax of approximately RMB110.73 million for the year ended 31 December 2022, as compared to a loss before tax of approximately RMB399.66 million for the year ended 31 December 2021.

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 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, the Company expects to record a loss before tax of approximately RMB110.73 million for the year ended 31 December 2022, as compared to a loss before tax of approximately RMB399.66 million for the year ended 31 December 2021. The decline in loss is mainly attributable to a decrease in provision for impairment loss in relation to the Group’s certain trade receivables based on the expected credit loss model. The Board would like to emphasize that all the impairment losses are non-recurring in nature, non-cash items and have no impact on the Group’s daily operations and cashflow.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2022 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 2022 will be published in late March 2023.

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, 17 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.