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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)

STRATEGIC ALLIANCE RELATING TO AIRCRAFT PISTON ENGINE

The board (the "**Board**") of directors (the "**Directors**") of Xinchen China Power Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that on 27 November 2025, Mianyang Xinchen Engine Co., Ltd.* (綿陽新晨動力機械有限公司) ("**Mianyang Xinchen**"), a wholly-owned subsidiary of the Company, entered into a strategic cooperation agreement (the "**Strategic Cooperation Agreement**") with Sichuan Hongpeng Aviation Aerospace Equipment Intelligent Manufacturing Co., Ltd.* (四川鴻鵬航空航天裝備智能製造有限公司) (the "**Strategic Partner**") in relation to the formation of a strategic alliance (the "**Strategic Alliance**") between Mianyang Xinchen and the Strategic Partner in the field of aircraft piston engine.

STRATEGIC ALLIANCE

The Strategic Alliance is formed for the primary purposes of (a) integrating Mianyang Xinchen's advantages in the design and development, performance testing, industrialisation, supply chain and manufacturing automotive engine with the Strategic Partner's expertise in aircraft engine design, manufacturing, testing, FADEC control system development, aircraft engine matching and airworthiness certification; (b) building a non-airworthy and airworthy aircraft piston engine product system in stages; and (c) enhancing the core competitiveness and market share of both parties in the domestic and international aircraft piston engine markets.

Pursuant to the Strategic Cooperation Agreement which provides the framework of the cooperation between Mianyang Xinchen and the Strategic Partner under the Strategic Alliance, Mianyang Xinchen will sell specific model(s) of its engines to the Strategic Partner for modifying into aircraft piston engines (non-airworthy version) to meet the needs of the Strategic Partner's non-airworthy aircraft customers. In the second stage, the Strategic Partner will modify the relevant engines purchased from Mianyang Xinchen into aircraft piston engines (airworthy version) to meet the needs of the Strategic Partner's airworthy aircraft customers. As the third stage, based on the experience and achievements of the first and second stages, as well as the common judgment of both parties on the market demand for aircraft piston engines, both parties may establish a joint venture company which will focus on the design and development, supply chain construction, production line construction, manufacturing, market development and sales services of aircraft piston engines for selected aircraft models.

INFORMATION ON THE STRATEGIC PARTNER

The Strategic Partner is a limited liability company establish in the People's Republic of China, which specializes in the field of civil aircraft engines and rocket engines power with professional capabilities in aircraft engine design, manufacturing, testing, FADEC control system development, aircraft engine matching and airworthiness certification.

REASONS AND BENEFITS FOR ENTERING INTO THE STRATEGIC ALLIANCE

The Strategic Alliance will allow the Group to gain a fast-track entry into the high-barrier aircraft industry, particularly with respect to airworthiness certification. Through the Strategic Alliance, the Group will also become integrated into national and local development strategies in the low-altitude economy sector, making it easier to obtain policy preferences, funding support, and government resources. The Group may also secure predictable and stable order sources under the Strategic Alliance. Moreover, the Group intends to extend its aviation power systems based on its automotive power system foundation, which will enable the Group to gradually realize its vision of "building a world-leading power system".

By order of the Board
Xinchen China Power Holdings Limited
Zhang Wei
Chairman

Hong Kong, 27 November 2025

As at the date of this announcement, the Board comprises two executive Directors, Mr. Zhang Wei (Chairman) and Mr. Deng Han (Chief Executive Officer); one non-executive Director, Mr. Yang Ming; and three independent non-executive Directors, Mr. Chi Guohua, Mr. Wang Jun and Ms. Dong Yan.

* *for identification purposes only*