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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)

**REVISION OF ANNUAL CAPS OF
CONTINUING CONNECTED TRANSACTIONS UNDER
THE BRILLIANCE CHINA PURCHASE AGREEMENT 2025-2027**

Reference is made to the Announcement in relation to, among other things, the Brilliance China Purchase Agreement 2025-2027.

**REVISION OF THE ORIGINAL ANNUAL CAPS FOR THE TRANSACTIONS
UNDER THE BRILLIANCE CHINA PURCHASE AGREEMENT 2025-2027 FOR
FY2026 AND FY2027**

As disclosed in the Announcement, the Original Annual Caps under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027 are RMB2,350,000 and RMB1,760,000 respectively.

The Board has reviewed and evaluated the existing continuing connected transactions under the Brilliance China Purchase Agreement 2025-2027 and anticipates that the Original Annual Caps for FY2026 and FY2027 as stated in the Announcement will not be sufficient to meet the Group's demand for engine components from the Brilliance China Group to be used for the production of engines of the Group or for sale to customers of the Group for repair and maintenance purposes. Accordingly, the Board proposed to revise the annual caps for the purchase of engine components under the Brilliance China Purchase Agreement 2025-2027 to RMB3,820,000 for FY2026 and RMB9,330,000 for FY2027. For this purpose, the Company and Brilliance China entered into the Supplemental Agreement on 8 September 2026 to effect the revision of the annual caps in the manner described above.

Save for the revision of the annual caps for the purchase of engine components as disclosed above, all other terms and conditions of the Brilliance China Purchase Agreement 2025-2027 remain unchanged. Please refer to the Announcement for the major terms and conditions of the Brilliance China Purchase Agreement 2025-2027.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Brilliance China is interested in 400,000,000 Shares, representing approximately 31.20% of the issued share capital of the Company. Accordingly, Brilliance China is a connected person of the Company under Rule 14A.07(1) of the Listing Rules and thus the transactions contemplated under the Brilliance China Purchase Agreement 2025-2027 (as supplemented and amended by the Supplemental Agreement) constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise the annual caps of continuing connected transactions, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules for the relevant continuing connected transactions.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions for FY2026 and FY2027 contemplated under the Brilliance China Purchase Agreement 2025-2027 (as supplemented and amended by the Supplemental Agreement) are, on an annual basis, over 0.1% but all of them are below 5%, these transactions are subject to reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the Announcement in relation to, among other things, the Brilliance China Purchase Agreement 2025-2027.

REVISION OF THE ORIGINAL ANNUAL CAPS FOR THE TRANSACTIONS UNDER THE BRILLIANCE CHINA PURCHASE AGREEMENT 2025-2027 FOR FY2026 AND FY2027

As disclosed in the Announcement, on 18 October 2024, the Company entered into the Brilliance China Purchase Agreement 2025-2027 with Brilliance China for the purchase of engine components by the Group from the Brilliance China Group for the three financial years commencing from 1 January 2025 to 31 December 2027, and the Original Annual Caps under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027 are RMB2,350,000 and RMB1,760,000 respectively.

The actual aggregate amounts paid by the Group to the Brilliance China Group in respect of the Group's purchase of engine components under the Brilliance China Purchase Agreement 2025-2027 for the year ended 31 December 2025 and for the period from 1 January 2026 to the date of 31 August 2026 are RMB3,647,000 and RMB2,021,000 respectively, which have not exceeded the relevant Original Annual Caps as set out in the Announcement.

The Board has reviewed and evaluated the existing continuing connected transactions under the Brilliance China Purchase Agreement 2025-2027 and anticipates that the Original Annual Caps for FY2026 and FY2027 as stated in the Announcement will not be sufficient to meet the Group's demand for engine components from the Brilliance China Group to be used for the production of engines of the Group or for sale to customers of the Group for repair and maintenance purposes. Accordingly, the Board proposed to revise the annual caps for the purchase of engine components under the Brilliance China Purchase Agreement 2025-2027 to RMB3,820,000 for FY2026 and RMB9,330,000 for FY2027 (collectively, the **"Revised Annual Caps"**). For this purpose, the Company and Brilliance China entered into the Supplemental Agreement on 8 September 2026 to effect the revision of the annual caps in the manner described above.

The Revised Annual Caps have been determined with reference to:

- (i) the historical transaction amounts for the purchase of engine components by the Group from the Brilliance China Group under the Brilliance China Purchase Agreement 2025-2027;
- (ii) the projected increase in the Group's demand for engine components from the Brilliance China Group, prompted by the projected increase in demand for the Group's engines by its customers other than Li Auto Inc.; and
- (iii) demand from new customers.

Save for the revision of the annual caps for the purchase of engine components as disclosed above, all other terms and conditions of the Brilliance China Purchase Agreement 2025-2027 remain unchanged. Please refer to the Announcement for the major terms and conditions of the Brilliance China Purchase Agreement 2025-2027.

REASONS FOR REVISING THE ORIGINAL ANNUAL CAPS FOR THE TRANSACTIONS UNDER THE BRILLIANCE CHINA PURCHASE AGREEMENT 2025-2027 FOR FY2026 AND FY2027

The engine components purchased from the Brilliance China Group are used by the Group for the production of its engines and for sale to customers for repair and maintenance. For the eight months ended 31 August 2026, the Group had already incurred RMB2,021,000, leaving only approximately RMB329,000 under the Original Annual Cap of RMB2,350,000 for FY2026.

Although the Group's overall engine sales volume in the first half of 2026 decreased, mainly due to the reduction in trading of range extender gasoline engines associated with Li Auto Inc., demand from the Group's some other engine customers increases to a certain extent. Based on the current production and order outlook for these customers, the remaining demand for the second half of 2026 is expected to cause the actual amount for FY2026 to exceed the Original Annual Cap for FY2026.

For FY2027, the Group currently expects demand for its traditional engines from existing customers other than Li Auto Inc. to increase, and also expects additional demand from new customers. Taking into account this revised outlook and the need to maintain a stable supply of specification-matched components from the Brilliance China Group, the Board considers that the Original Annual Cap for FY2027 of RMB1,760,000 will not be sufficient.

Given the above, the Directors consider it both prudent and necessary to revise the annual caps for the transactions under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027. The Revised Annual Caps will provide flexibility to the Group in satisfying its revised projected demand for engine components, while ensuring continued compliance with relevant regulatory policies and contractual obligations.

The Directors (including the independent non-executive Directors) are of the view that the Revised Annual Caps and the transactions contemplated under the Brilliance China Purchase Agreement 2025-2027 (as supplemented and amended by the Supplemental Agreement) are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Mr. Zhang Wei, the chairman of the Company and an executive Director, is also an executive director and the executive vice president of Brilliance China. Ms. Huang Yu, a non-executive Director, is also the chief financial officer and the vice president of Brilliance China. Accordingly, Mr. Zhang Wei and Ms. Huang Yu abstained from voting on the Board resolutions in respect of the revision of the annual caps for the purchase of engine components under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027 (including the entering into of the Supplemental Agreement).

The Board confirms that save for Mr. Zhang Wei and Ms. Huang Yu, none of the Directors has any material interest in the transactions contemplated under the Brilliance China Purchase Agreement 2025-2027. Accordingly, none of the Directors (except for Mr. Zhang Wei and Ms. Huang Yu, who abstained from voting as mentioned above) was required to abstain from voting on the Board resolutions in respect of the revision of the annual caps for the purchase of engine components under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027 (including the entering into of the Supplemental Agreement).

INFORMATION OF THE PARTIES INVOLVED

The Group

The Group is principally engaged in the development, manufacture and sale of automotive engines for passenger vehicles and light duty commercial vehicles, manufacture of engine parts and components of the passenger vehicles, and manufacture and sale of special vehicle components in the PRC.

Brilliance China

Brilliance China is a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange. It is an investment holding company.

As at the date of this announcement, Brilliance China, through its wholly-owned subsidiary, owns approximately 31.20% of the issued share capital of the Company and is a connected person of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Brilliance China is interested in 400,000,000 Shares, representing approximately 31.20% of the issued share capital of the Company. Accordingly, Brilliance China is a connected person of the Company under Rule 14A.07(1) of the Listing Rules and thus the transactions contemplated under the Brilliance China Purchase Agreement 2025-2027 (as supplemented and amended by the Supplemental Agreement) constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise the annual caps of continuing connected transactions, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules for the relevant continuing connected transactions.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions for FY2026 and FY2027 contemplated under the Brilliance China Purchase Agreement 2025-2027 (as supplemented and amended by the Supplemental Agreement) are, on an annual basis, over 0.1% but all of them are below 5%, these transactions are subject to reporting, announcement and annual review requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, (i) terms used herein shall have the same meanings as defined in the Announcement, and (ii) in particular, the following terms shall have the following meanings:

“Announcement”	the announcement dated 18 October 2024 made by the Company in relation to, among others, the Brilliance China Purchase Agreement 2025-2027;
“Board”	the board of Directors;
“Brilliance China”	Brilliance China Automotive Holdings Limited (華晨中國汽車控股有限公司*), a company incorporated in Bermuda, whose shares are listed on the Main Board of the Stock Exchange, and a controlling shareholder of the Company;
“Brilliance China Group”	Brilliance China and its subsidiaries;
“Brilliance China Purchase Agreement 2025-2027”	the framework agreement entered into between the Company and Brilliance China on 18 October 2024 in relation to the purchase of engine components from the Brilliance China Group;
“Company”	Xinchen China Power Holdings Limited (新晨中國動力控股有限公司), an exempted company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“FY2026”	the financial year ending 31 December 2026;
“FY2027”	the financial year ending 31 December 2027;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Original Annual Caps”	the original annual caps for the purchase of engine components by the Group from the Brilliance China Group under the Brilliance China Purchase Agreement 2025-2027 as stated in the Announcement;
“Revised Annual Caps”	the revised annual caps for the purchase of engine components by the Group from the Brilliance China Group under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027 as defined and set out in the paragraph headed “Revision of the Original Annual Caps for the transactions under the Brilliance China Purchase Agreement 2025-2027 for FY2026 and FY2027” in this announcement;
“Share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.01 each;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Supplemental Agreement”	the supplemental agreement to the Brilliance China Purchase Agreement 2025-2027 dated 8 September 2026 and entered into between the Company and Brilliance China.

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

Hong Kong, 8 September 2026

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

* for identification purposes only