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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and 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 that the unaudited profit attributable to its equity shareholders for the six months ended 30 June 2017 will record a decrease of approximately 40% as compared to that for the six months ended 30 June 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Xinchen 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 Inside Information Provisions 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 (the “**Directors**”) 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 that the unaudited profit attributable to its equity shareholders for the six months ended 30 June 2017 will record a decrease of approximately 40% as compared to that for the six months ended 30 June 2016. Such decrease was mainly due to a decrease in the sales of N20 engines as N20 engines have been phased out in 2017 for BMW vehicles and a decrease in government grants.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2017. 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 the announcement of the unaudited interim results of the Group for the six months ended 30 June 2017 to be published in late August 2017.

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, 28 July 2017

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. Liu Tongfu and Mr. Yang Ming; and four independent non-executive Directors, Mr. Chi Guohua, Mr. Wang Jun, Mr. Huang Haibo and Mr. Wang Songlin.