

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)
(the “Company”)

Shareholders Communication Policy
adopted pursuant to a resolution of the board of directors on April 25, 2012 and
effective from April 25, 2012
(amended by a resolution of the board of directors on May 23, 2013 and
effective from May 23, 2013)

1. GENERAL

- 1.1 To promote effective communication with shareholders of the Company (the “**Shareholders**”), the Company adopts this policy with the objectives to ensure that the Company provides timely, clear and reliable information to the Shareholders to allow them to make informed decisions and assessment of the performance and prospect of the Company, and that views of the Shareholders are communicated to the Company in assistance to the Company’s development of appropriate strategies and measures in line with the interests of the Shareholders.
- 1.2 The board (the “**Board**”) of directors (the “**Directors**”) of the Company shall be responsible for maintaining effective communication with the Shareholders and shall regularly review this policy to ensure its effectiveness. All Shareholders’ communications, including circulars, announcements and letters etc. to Shareholders, will be approved by the Board or Director(s) designated by the Board from time to time.
- 1.3 The investor relationship personnel and company secretary of the Company are responsible for the arrangement of the content and manner of communication with Shareholders, and for the preparation, collection and maintenance of the relevant documents.

2. PRINCIPLES

- 2.1 The Company supports open communication with the Shareholders in accordance with the provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and other applicable laws to ensure the legitimate rights and interests of the Shareholders and the Company shall not be prejudiced. No Shareholder shall, by its controlling rights, take any actions that may prejudice to the legitimate rights and interests of the Company and other Shareholders.
- 2.2 The Company provides the Shareholders and other stakeholders with equal access to information with potential to affect the price or value of the Company’s securities and is committed to provide such information in a consistent and timely manner to prevent any person from obtaining benefits, conducting insider trading or committing market manipulation by misusing such information.
- 2.3 The Company recognizes the importance of Shareholders’ privacy and will not disclose Shareholders’ information without their consent, unless required by applicable law or regulation to do so.

3. COMMUNICATION CONTENT

Subject to the relevant applicable laws and regulations, communication with the Shareholders may include matters related to the published reports, operation status, strategic plans, and the latest developments of the Company and its subsidiaries (collectively, the “**Group**”) and other matters which require communication with the Shareholders.

4. COMMUNICATION CHANNELS

4.1 General Meetings

The Company holds general meetings which offer a valuable forum for dialogue and interaction with management. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at general meetings for and on their behalf if they are unable to attend the general meetings.

As set out in Appendix 14 to the Listing Rules, the notice for annual general meetings shall be sent to Shareholders at least 20 clear business days before the meeting, and at least 10 clear business days for all other meetings. Under the Articles of Association of the Company, the notice for annual general meetings and extraordinary general meetings called for the passing of a special resolution shall be sent to Shareholders at least 21 days before the meeting, and at least 14 days for meetings of the Company other than the annual general meetings or extraordinary general meetings called for the passing of a special resolution.

Appropriate arrangements for the annual general meetings and other general meetings shall be in place to encourage Shareholders' participation:

- (i) the Board members, chairmen or members of respective committees, and external auditor of the Company and such other person as the Board deems appropriate shall attend the general meetings of the Company to respond to questions addressed to the Company. In particular, management of the Company shall ensure the external auditor of the Company attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence;
- (ii) the chairman of the independent Board committee (if any) shall be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent Shareholders' approval;
- (iii) the Company shall explain the procedures of voting by poll in detail and answer any questions from the Shareholders on voting by poll before voting so as to ensure that each Shareholder understands the relevant arrangements;
- (iv) for each substantially separate issue at a general meeting, a separate resolution shall be proposed by the chairman of that meeting. The Company shall avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company shall explain the reasons and material implications in the notice of meeting; and
- (v) voting results on any resolutions of the general meetings will be released on the Company's website.

4.2 Procedures for Shareholders to convene an extraordinary general meeting

Pursuant to Article 64 of the Articles of Association of the Company:

- extraordinary general meetings shall be convened on the requisition (the "Requisition") of one or more Shareholders holding, at the date of deposit of the Requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings;
- such Requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such Requisition; and

- such meeting shall be held within 2 months after deposit of such Requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

4.3 Procedures for putting forward proposals at Shareholders' meetings

- (i) to put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal ("**Proposal**") with his/her/its detailed contact information to the principal place of business of the Company in Hong Kong;
- (ii) the identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will determine in its sole discretion whether the Proposal may be included in the agenda for the general meeting; and
- (iii) if the request has been verified as not in order, the Shareholder(s) will be advised of this outcome and accordingly, a general meeting will not be convened as requested.

4.4 Company's Website

The Company maintains a website: www.xinchenpower.com containing announcements, annual reports, interim reports, general meeting circulars and other documents such as corporate information and highlight of historical development, etc. Information on the Company's website is updated on a regular basis and information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. To be environmentally friendly, Shareholders are encouraged to access the relevant information on the Company's website.

The Company is also permitted to send or otherwise make available its corporate communication (including notices, announcements, circulars, interim reports and annual reports) to the Shareholders by using electronic means, and to publish corporate communication on its own website, subject to the Company satisfying the procedures set out in Rule 2.07A of the Listing Rules.

4.5 Shareholders' Enquires

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available and the Company has an investor relationship personnel to attend to enquires from the Shareholders. Details of the contact person are set out below:

Name : Mr. LI Changzhen
Telephone : 2523 7227
Email : xce@xinchenpower.com

Shareholders may also make enquiries with the Board at the general meetings of the Company and/or by sending them to the Company's principal place of business in Hong Kong and addressing to the Board.

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar.

4.6 Annual Report and Interim Report

Information on the Group's activities, business, strategies and developments is provided in the Company's annual reports and interim reports.

The Company will prepare and publish its annual report including its annual accounts and, the consolidated accounts of the Group, together with a copy of the auditors' report prior to the annual general meeting and its interim report in respect of each of the first six months of each financial year and deliver the reports to its Shareholders.

5. MISCELLANEOUS PROVISIONS

- 5.1** Matters not covered in this policy shall be handled in accordance with the applicable laws and the Listing Rules.
- 5.2** Any communication with Shareholders will be provided in plain language to facilitate Shareholders' understanding.
- 5.3** The Board shall have the right to interpret this policy.

(Chinese translation is for reference only. The English text shall prevail in case of any inconsistency.)