
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Xincheng China Power Holdings Limited, you should at once hand this circular with the accompanying form(s) of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(1) NOTICE OF ANNUAL GENERAL MEETING,
(2) RE-ELECTION OF DIRECTORS,
AND
(3) GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES**

A notice convening an annual general meeting of Xincheng China Power Holdings Limited to be held at Victoria I, 2/F., Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 29th May, 2014 at 9:00 a.m. is set out on pages 15 to 19 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the branch registrar of Xincheng China Power Holdings Limited in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof (as the case may be) if you so wish and in such event, the form of proxy will be deemed to be revoked.

17th April, 2014

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Victoria I, 2/F., Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 29th May, 2014 at 9:00 a.m.;
“Articles of Association”	the amended and restated articles of association of the Company, as amended from time to time;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“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 with limited liability, whose securities are listed on the Stock Exchange;
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general and unconditional mandate to be granted to the Directors at the Annual General Meeting to exercise all the power to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution approving such mandate;
“Latest Practicable Date”	14th April, 2014, the latest practicable date prior to the bulk printing of this circular for ascertaining certain information containing herein;

DEFINITIONS

“Listing Date”	13th March, 2013, being the date on which dealing in the Shares first commenced on the Main Board of the Stock Exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China which, for the sole purpose of this circular, excludes Hong Kong, The Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Repurchase Mandate”	the general and unconditional mandate to be granted to the Directors at the Annual General Meeting to repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution approving such mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) with a par value of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Share Option Scheme”	the share option scheme of the Company adopted on 25th April, 2012 and amended and restated on 8th February, 2013;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD

POWER XINCHEN

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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)

Executive Directors:

Mr. Wu Xiao An

(also known as Mr. Ng Siu On) (*Chairman*)

Mr. Wang Yunxian (*Chief Executive Officer*)

Non-executive Directors:

Mr. Qi Yumin

Mr. Li Peiqi

Independent non-executive Directors:

Mr. Chi Guohua

Mr. Wang Jun

Mr. Huang Haibo

Mr. Wang Songlin

Registered office:

Clifton House

75 Fort Street

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place
of business:*

Suites 1602-05

Chater House

8 Connaught Road Central

Hong Kong

17th April, 2014

To all Shareholders

Dear Sir/Madam,

**(1) NOTICE OF ANNUAL GENERAL MEETING,
(2) RE-ELECTION OF DIRECTORS,
AND
(3) GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with information on certain matters to be dealt with at the Annual General Meeting. They are: (i) re-election of Directors; and (ii) grant of the Repurchase Mandate and the Issue Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to article 108 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one-third but not greater than one-third (or in such other manner of rotation as may be required by the Listing Rules), shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

Code provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules stipulates that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Of the eight existing Directors, Mr. Wu Xiao An, Mr. Wang Yunxian and Mr. Qi Yumin, being the longest in office, are subject to retirement by rotation pursuant to article 108 of the Articles of Association and code provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules and will retire at the Annual General Meeting. Each of Mr. Wu Xiao An, Mr. Wang Yunxian and Mr. Qi Yumin, being eligible, will offer themselves for re-election and the Board has recommended them for re-election at the Annual General Meeting.

Brief biography, as at the Latest Practicable Date, of each of Mr. Wu Xiao An, Mr. Wang Yunxian and Mr. Qi Yumin proposed to be re-elected at the Annual General Meeting is set out in Appendix I to this circular.

The procedure for nominating candidate(s) by the Shareholders to stand for election as a Director at general meeting of the Company has been published at the website of the Company (www.xinchenpower.com). The Company will issue an announcement or a supplemental circular to inform the Shareholders of the details of additional candidate(s) proposed for election if a valid nomination proposal together with the requisite information and documents are received after the printing of this circular.

LETTER FROM THE BOARD

PROPOSED GRANT OF REPURCHASE MANDATE AND ISSUE MANDATE

At the annual general meeting of the Company held on 23rd May, 2013, ordinary resolutions were passed, among other things, to grant the general mandates to the Directors (i) to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on 23rd May, 2013; and (ii) to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on 23rd May, 2013 and the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company's issued share capital pursuant to the mandate granted under (i) above) of any Shares repurchased by the Company.

These general mandates will lapse at the conclusion of the Annual General Meeting.

The Repurchase Mandate

At the Annual General Meeting, an ordinary resolution will be proposed in respect of the granting to the Directors the Repurchase Mandate, in the terms set out in the notice of the Annual General Meeting, to exercise the powers of the Company to repurchase its own securities on the Stock Exchange at any time during the period ended on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date upon which such authority is revoked or varied by the Shareholders at a general meeting of the Company; and (iii) the date by which the next annual general meeting of the Company is required to be held by laws or the Articles of Association. The aggregate nominal amount of Shares to be purchased pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution.

An explanatory statement to provide relevant information in respect of the Repurchase Mandate is set out in Appendix II to this circular.

The Issue Mandate

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution will also be proposed at the Annual General Meeting to renew the general mandate granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution, and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the Repurchase Mandate. The Issue Mandate shall remain in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date upon which such authority is revoked or varied by the Shareholders at a general meeting of the Company; and (iii) the date by which the next annual general meeting of the Company is required to be held by laws or the Articles of Association.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the Annual General Meeting to be held at Victoria I, 2/F., Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 29th May, 2014 at 9:00 a.m. is set out on pages 15 to 19 of this circular.

Form of proxy for use at the Annual General Meeting is enclosed herein and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk).

In accordance with the requirements of the Listing Rules, the resolutions to be put forward at the Annual General Meeting will be voted on by the Shareholders by way of poll except that the Chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Whether or not the Shareholders intend to attend the Annual General Meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the branch registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof (as the case may be) if they so wish and in such event, the form of proxy will be deemed to be revoked.

RECOMMENDATIONS

The Board considers that the re-election of Directors and the granting of the Repurchase Mandate and the Issue Mandate are in the interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all of the resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Xinchen China Power Holdings Limited
Wu Xiao An
(also known as Ng Siu On)
Chairman

APPENDIX I BIOGRAPHIES OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are the biographies of the Directors proposed to be re-elected at the Annual General Meeting:

Mr. Wu Xiao An (also known as Mr. Ng Siu On)

Mr. Wu Xiao An (also known as Mr. Ng Siu On), (吳小安), aged 52, is the chairman of the Company. He was appointed as a Director on 10th March, 2011 and designated as an executive Director on 24th April, 2012. He has over 19 years of experience in the automotive industry and is primarily responsible for the overall strategic planning and business development of the Group. Since April 1998, he has been serving as a director of Southern State Investment Limited, a direct wholly-owned subsidiary of the Company. From April 1998 to September 2005, Mr. Wu had been a director of Mianyang Xincheng Engine Co., Ltd. (“**Mianyang Xincheng**”), and he was re-appointed as a director of Mianyang Xincheng in July 2011. Since February 2011, he has been a director of Brilliance Investment Holdings Limited. Since 2002, Mr. Wu has served various positions in Brilliance China Automotive Holdings Limited (“**Brilliance China**”), including the chairman of Brilliance China since June 2002, an executive director since January 1994 and vice chairman and the chief financial officer from January 1994 to June 2002. He has also been a director of Huachen Automotive Group Holdings Company Limited (“**Huachen**”) since October 2002, a director of Shenyang Brilliance JinBei Automobile Co., Ltd. (“**Shenyang Jinbei**”) since January 1994, and the chairman of BMW Brilliance Automotive Ltd. (“**BMW Brilliance Automotive**”) since May 2003. From 1988 to 1993, he was the deputy manager of the Bank of China, New York Branch. Mr. Wu obtained a bachelor’s degree of arts from Beijing Foreign Languages Institute (北京外國語學院) (now known as Beijing Foreign Studies University (北京外國語大學)) in 1985 and a master of business administration degree from Fordham University in New York in 1992.

Save as stated herein, Mr. Wu did not hold any position in any member of the Group or hold any directorship in any listed public companies in the last three years.

Save as stated herein, Mr. Wu does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wu is a trustee of the fixed trust and the discretionary trust (which in aggregate hold 71,191,090 Shares for the beneficiaries of the fixed trust and the discretionary trust) under the share incentive scheme established by Lead In Management Limited (“**Lead In**”) in 2011 (the “**Share Incentive Scheme**”) and holds 50% interests in Lead In which holds the Shares on trust for the beneficiaries under the Share Incentive Scheme. Mr. Wu is deemed or is taken to be interested in 71,191,090 Shares, representing approximately 5.52% of the issued share capital of the Company. Mr. Wu is also the beneficial owner of 3,328,016 Shares, representing approximately 0.25% of the issued share capital of the Company, and is entitled to 4,992,025 Shares as a beneficiary under the fixed trust. Save as stated herein, Mr. Wu is not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

APPENDIX I BIOGRAPHIES OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Wu has entered into a service agreement with the Company dated 26th February, 2013, as supplemented by a second service agreement dated 1 April 2013, for a term of three years commencing from the Listing Date for his appointment as an executive Director, which is subject to the retirement by rotation requirements under the Articles of Association. As the chairman of the Board and an executive Director, Mr. Wu is entitled to an annual emoluments of US\$500,000 which has been determined by the Board with reference to his qualifications, experience, duties and responsibilities in the Group. Mr. Wu was paid approximately RMB3,665,000 as his emoluments for the year ended 31st December, 2013. Save as disclosed herein, Mr. Wu did not receive any other payments (whether fixed or discretionary in nature) from the Group.

Save as disclosed herein, in relation to Mr. Wu's re-election as a Director, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Wang Yunxian

Mr. Wang Yunxian (王運先), aged 59, is the chief executive officer of the Company. He was appointed as a Director on 10th March, 2011 and designated as an executive Director on 24th April, 2012. He has over 37 years of experience in the PRC automotive industry and is primarily responsible for the business operation of the Group. Since May 2011, he has been a director of Xinhua Investment Holdings Limited. Since 1998, Mr. Wang held various positions in Mianyang Xincheng, including a director and vice general manager from April 1998 to March 2000, a director and general manager since March 2000 and supervisor of the national enterprise technology center of Mianyang Xincheng since March 2004. Since 1976, Mr. Wang held various positions in Mianyang Xinhua Internal Combustion Engine Joint-stock Company Limited (“**Xinhua Combustion Engine**”), including director, party secretary, general manager, vice general manager, head of sales department, production supervisor and technician, and he has resigned from his positions of director and general manager in Xinhua Combustion Engine on 22nd March, 2012 and 23rd March, 2012, respectively. Since January 2005, Mr. Wang has been a director and general manager of Mianyang Huarui Automotive Company Limited. In October 2004, Mr. Wang received the special government expert allowances (engineering class) (特殊津貼(工程類)) from the State Council (國務院). In 2005, Mr. Wang received the National Model Worker Award (全國勞動模範) issued by the State Council, as well as the title of Ten Outstanding Innovative Talents of Sichuan Province (四川省十大傑出創新人才) in December 2005. He graduated from Sichuan University of Science and Technology (四川工業學院) (now merged into Xihua University (西華大學)) in July 1986, and graduated from a postgraduate course in finance from the Chinese Academy of Social Sciences (中國社會科學院) in July 1998.

APPENDIX I BIOGRAPHIES OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as stated herein, Mr. Wang did not hold any position in any member of the Group or hold any directorship in any listed public companies in the last three years.

Save as stated herein, Mr. Wang does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wang is a trustee of the fixed trust and the discretionary trust (which in aggregate hold 71,191,090 Shares for the beneficiaries of the fixed trust and the discretionary trust) under the Share Incentive Scheme and holds 50% interests in Lead In which holds the Shares on trust for the beneficiaries under the Share Incentive Scheme. Mr. Wang is deemed or is taken to be interested in 71,191,090 Shares, representing approximately 5.52% of the issued share capital of the Company. Mr. Wang is also the beneficial owner of 2,588,457 Shares, representing approximately 0.20% of the issued share capital of the Company, and is entitled to 3,882,686 Shares as a beneficiary under the fixed trust. Save as stated herein, Mr. Wang is not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Wang has entered into a service agreement with the Company dated 26th February, 2013, as supplemented by a second service agreement dated 1 April, 2013, for a term of three years commencing from the Listing Date for his appointment as an executive Director, which is subject to the retirement by rotation requirements under the Articles of Association. As the chief executive officer of the Company and an executive Director, Mr. Wang is entitled to an annual emoluments of US\$400,000 which has been determined by the Board with reference to his qualifications, experience, duties and responsibilities in the Group. Mr. Wang was paid approximately RMB3,103,000 as his emoluments for the year ended 31st December, 2013. Save as disclosed herein, Mr. Wang did not receive any other payments (whether fixed or discretionary in nature) from the Group.

Save as disclosed herein, in relation to Mr. Wang's re-election as a Director, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX I BIOGRAPHIES OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Qi Yumin

Mr. Qi Yumin (祁玉民), aged 54, was appointed as a Director on 16th November, 2011, and designated as a non-executive Director on 24th April, 2012. Since January 2006, Mr. Qi has served as an executive director, president and the chief executive officer of Brilliance China and as the chairman and president of Huachen since December 2005. Since 2009, he has been appointed as the chairman and a director of Shenyang Jinbei and two companies listed on the Shanghai Stock Exchange, namely Shenyang JinBei Automotive Company Limited (金杯汽車股份有限公司) and Shanghai Shenhua Holdings Co., Ltd. (上海申華控股股份有限公司). Mr. Qi has been a director of BMW Brilliance Automotive since November 2006. From 1982 to 2004, Mr. Qi held various positions in Dalian Heavy Industries Co., Ltd. (大連重工集團有限公司), including chairman and general manager. From October 2004 to December 2005, he was the vice mayor of Dalian municipal government. Mr. Qi graduated from Xi'an University of Technology (西安理工大學) (formerly known as Shanxi Institute of Mechanical Engineering (陝西機械學院)) Department of engineering and economics, with a major in machinery manufacturing management and engineering, in July 1982 and a master's degree in business administration from Dalian University of Technology (大連理工大學) in April 2004. He was qualified as a senior engineer (professor level) by the Personnel Department of Liaoning Province (遼寧省人事廳) in December 1992.

Save as stated herein, Mr. Qi did not hold any position in any member of the Group or hold any directorship in any listed public companies in the last three years.

Save as stated herein, Mr. Qi does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Qi is not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Qi has entered into a letter of appointment with the Company dated 26th February, 2013 for a term of three years commencing from the Listing Date for his appointment as a non-executive Director, which is subject to the retirement by rotation requirements under the Articles of Association. Mr. Qi did not receive any emoluments and any other payments (whether fixed or discretionary in nature) from the Group during the year ended 31st December, 2013.

Save as disclosed herein, in relation to Mr. Qi's re-election as a Director, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate to be proposed at the Annual General Meeting.

THE LISTING RULES

The Listing Rules contain provisions regulating the repurchase by companies whose primary listings are on the Stock Exchange. The following is a summary of certain provisions of the Listing Rules relating to repurchase of securities:

Shareholders' Approval

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

Source of Funds

Repurchases must be funded out of funds legally available for such purpose in accordance with the Company's memorandum of association and Articles of Association and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Repurchase will be made out of funds of the Company legally permitted to be utilised in this connection, including profits of the Company or out of proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the provisions of the Companies Law of Cayman Islands (as amended), out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company before or at the time the Shares are repurchased or, if authorised by the Articles of Association and subject to the provisions of the Companies Law of Cayman Islands (as amended), out of capital of the Company.

REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing any securities of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases of Shares will be funded out of funds legally available for the purchase in accordance with the Company's memorandum of association and Articles of Association and the applicable laws of the Cayman Islands.

On the basis of the financial position of the Company as disclosed in the audited financial statements contained in the 2013 annual report of the Company, there might be an adverse effect on the working capital requirements or gearing levels of the Company in the event that the Repurchase Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

The exercise in full of the Repurchase Mandate, on the basis of 1,287,407,794 Shares in issue as at the Latest Practicable Date (assuming that no Shares are issued or repurchased during the period from the Latest Practicable Date up to the date of the Annual General Meeting) would result in up to 128,740,779 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the memorandum of association and the Articles of Association.

If as a result of a repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, Brilliance Investment Holdings Limited (“**Brilliance Investment**”) was interested in 400,000,000 Shares, Xinhua Investment Holdings Limited (“**Xinhua Investment**”) was interested in 400,000,000 Shares and Lead In, a party acting in concert with Brilliance Investment under the Takeovers Code, was interested in 71,191,090 Shares, representing approximately 31.07%, 31.07% and 5.52% of the issued share capital of the Company respectively. Based on such shareholdings, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholdings of Brilliance Investment, Xinhua Investment and Lead In would increase to approximately 34.52%, 34.52% and 6.14% of the issued share capital of the Company respectively. The Directors consider that such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors however have no present intention to exercise the Repurchase Mandate to such extent as would result in any mandatory offer. The Directors do not consider to exercise the Repurchase Mandate to such an extent that would reduce the issued share capital of the Company in public hands to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange).

No connected person (as defined in the Listing Rules), including a director, chief executive or substantial shareholder of the Company or its subsidiaries or an associate of any of them has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the following months since the Listing Date and up to the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
March (since the Listing Date)	2.48	2.01
April	2.37	1.89
May	3.02	2.02
June	3.21	2.33
July	2.92	2.39
August	3.51	2.78
September	3.67	3.02
October	3.97	3.20
November	4.96	3.77
December	5.33	4.60
2014		
January	5.65	4.35
February	5.12	4.26
March	4.82	3.80
April (up to the Latest Practicable Date)	4.98	4.55

* *The dealing in Shares first commenced on the Stock Exchange on the Listing Date.*

SECURITIES PURCHASES MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceeding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Xincheng China Power Holdings Limited (the “**Company**”) will be held at Victoria I, 2/F., Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 29th May, 2014 at 9:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of directors and auditors of the Company for the year ended 31st December, 2013.
2. To re-elect directors of the Company (each as a separate resolution):
 - (A) To re-elect Mr. Wu Xiao An (also known as Mr. Ng Siu On) as executive director.
 - (B) To re-elect Mr. Wang Yunxian as executive director.
 - (C) To re-elect Mr. Qi Yumin as non-executive director.
3. To appoint Deloitte Touche Tohmatsu as auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass, with or without modification, the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to allot, issue or deal with additional shares in the share capital of the Company or securities convertible into such shares or options, warrants or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements, and options which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of the subscription rights or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company and from time to time outstanding, (iii) the exercise of any option granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants as stipulated in such share option scheme or similar arrangement of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company in the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangement as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or such stock exchange in any territory outside Hong Kong).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“**Recognised Stock Exchange**”), subject to and in accordance with all applicable laws and regulations of the Cayman Islands, the articles of association of the Company and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this resolution:

“Relevant Period” means the period from passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** subject to the passing of resolutions numbered 4(A) and 4(B), the aggregate nominal amount of the share capital of the Company which are purchased by the Company pursuant to the authority granted to the directors of the Company mentioned in resolution numbered 4(B) shall be added to the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution numbered 4(A) above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By order of the Board
Xinchen China Power Holdings Limited
Fung Sam Ming
Company Secretary

Hong Kong, 17th April, 2014

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business:

Suites 1602-05
Chater House
8 Connaught Road Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxies to attend and to vote on a poll in his stead. On a poll, votes may be given either personally (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if shareholders so wish and in such event, the form of proxy will be deemed revoked.
5. The Hong Kong branch register of members of the Company will be closed from Tuesday, 27th May, 2014 to Thursday, 29th May, 2014, both days inclusive, during which period no transfer of shares will be registered. Only shareholders of the Company whose names appear on the register of members of the Company on Thursday, 29th May, 2014 or their proxies or duly authorised corporate representatives are entitled to attend the meeting. In order to qualify for attending the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26th May, 2014.