
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE

Rules 8.12 and 19A.15 of the Listing Rules require that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Our major business operations are currently based and administered in the PRC, and are primarily conducted overseas. As our executive Directors play very important roles in our Company's business operations, it is in our best interests for them to be based in or near the places where our Group has significant operations. As such, we do not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Ms. LI Taifang and Mr. CHEN Minjian, who are one of our executive Directors, and one of the joint company secretaries of our Company respectively. The alternate to Ms. LI Taifang is Ms. TSANG Fung Chu, the other joint company secretary of our Company, and the alternate to Mr. CHEN Minjian is Mr. WANG Mowei, chief officer of the office of our Board. Each of the authorized representatives (including the alternate authorized representatives) has confirmed that they will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time frame upon request of the Stock Exchange, if required. They will be readily contactable by telephone, facsimile or e-mail and are authorized to communicate on our behalf with the Stock Exchange;
- (b) both authorized representatives (including the alternate authorized representatives) have means to contact all our Directors (including independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. To enhance communication between the Stock Exchange, our authorized representatives (including the alternate authorized representatives) and our Directors, we have implemented a policy whereby (i) each Director will have to provide his/her office phone number, mobile phone number, facsimile number and email address to the authorized representatives (including the alternate authorized representatives); (ii) in the event that a Director expects to travel and be out of office, he/she will have to provide the phone number of the place of his/her accommodation or other means of communication to the authorized representatives (including the alternate authorized representatives); and (iii) each Director will provide their mobile phone number, office phone number, facsimile number and email address to the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (c) we have, in compliance with Rule 3A.19 of the Listing Rules, retained a compliance advisor, who will have access at all times to our Company's authorized representatives (including the alternate authorized representatives), Directors and other officers. The compliance advisor will advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after listing and, where the authorized representatives and the alternate authorized representatives of our Company are unavailable, act as an additional channel of communication between our Company and the Stock Exchange at least for the period commencing from the Listing Date and ending on the date that our Company publishes its first full financial year results pursuant to Rule 13.46 of the Listing Rules;
- (d) meetings between the Stock Exchange and our Directors could be arranged through the authorized representatives, the alternate authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in the authorized representatives, the alternate authorized representatives and our compliance advisor; and
- (e) each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet the Stock Exchange in Hong Kong within a reasonable period.

COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint as our company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. The Stock Exchange considers (i) a Member of The Hong Kong Institute of Chartered Secretaries, (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)), and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)) to be acceptable academic or professional qualifications. In assessing "relevant experience", the Stock Exchange will consider the individual's (i) length of employment with the issuer and other issuers and the roles he played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Hong Kong Companies Ordinance, and the Takeovers Code, (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29, and (iv) professional qualifications in other jurisdictions.

We have appointed Mr. CHEN Minjian as one of the joint company secretaries. Mr. CHEN is experienced in strategic management, sales management and administrative work and has a thorough understanding of the operation of our Board and our Company. However, Mr. CHEN does not possess any of the qualifications as stipulated in Rule 3.28 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. TSANG Fung Chu, who meets the requirements under Rules 3.28 and 8.17 to act as another joint company secretary and to provide assistance to Mr. CHEN for an initial period of three years from the Listing Date so as to fully comply with the requirements set forth under Rules 3.28 and 8.17.

Ms. TSANG Fung Chu will work closely with Mr. CHEN to jointly discharge the duties and responsibilities as company secretary and assist Mr. CHEN to acquire the relevant experience as required under Rule 3.28 of the Listing Rules. In addition, Mr. CHEN will endeavor to attend relevant training and familiarize himself with the Listing Rules and duties required for a company secretary of a PRC issuer listed on the Stock Exchange, including briefing on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules organized by our Company's Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for PRC issuers from time to time.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver under and in respect of Rules 3.28 and 8.17 of the Listing Rules. The waiver is valid for an initial period of three years from the Listing Date and will be revoked immediately if Ms. TSANG Fung Chu ceases to provide assistance to Mr. CHEN as our joint company secretary during the three years after the Listing Date. Upon the expiry of the initial three-year period, the qualifications of Mr. CHEN will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. In the event that Mr. CHEN has obtained relevant experience under Rules 3.28 and 8.17 of the Hong Kong Listing Rules at the end of the said initial three-year period, the above joint company secretaries arrangement would no longer be necessary.

CONTINUING CONNECTED TRANSACTIONS

Members of our Group have entered, or will enter, into certain transactions, which would constitute non-exempt continuing connected transactions of our Company under the Listing Rules after the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, certain waivers from strict compliance with the announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for such non-exempt continuing connected transactions. Further details of such non-exempt continuing connected transactions and the waivers are set out in the section headed "Connected Transactions" in this Prospectus.

POST BALANCE SHEET DATE ACQUISITION

Pursuant to Rule 4.04(2) and Rule 4.04(4)(a) of the Listing Rules, our accountants' report must include the results of any business or subsidiary agreed to be acquired or proposed to be acquired since June 30, 2012.

In May 2012, we came to knowledge of the opening of a public bid as of April 13, 2012, on Chongqing United Assets and Equity Exchange (重慶聯合產權交易所) (the "**Chongqing Exchange**") in respect of the transfer of 50% equity interest (the "**Zhongnan's Interest**") in China Power Construction Engineering Consulting Zhongnan Company (中國電力建設工程諮詢中南公司) ("**Zhongnan**") that was at that time 100% held by China Power Engineering Consulting Group Zhongnan Power Design Institute ("**Zhongnan Design Institute**") (中國電力工程顧問集團中南電力設計院) (the "**Bid Notice**"), for a total consideration of approximately RMB4.6 million ("**Transfer Price**"). The Transfer Price was determined based on the valuation report of Zhongnan and corresponding to the shareholding percentage of Zhongnan's Interest to be transferred by Zhongnan Design Institute. Zhongnan is a company solely funded by the State (國有獨資公司) with a registered capital of RMB5.0 million. According to the audited reports issued by Continental Certified Public Accountants Co., Ltd., a PRC CPA firm, for the three years ended December 31, 2009, 2010 and 2011, the total revenue of Zhongnan was RMB10.2 million, RMB10.6 million and RMB16.2 million, respectively; the net profit was RMB1.1 million, RMB0.8 million and RMB1.0 million, respectively; the total assets were RMB21.7 million, RMB46.1 million and RMB18.4 million, respectively; and the net assets were RMB9.9 million, RMB6.2 million and RMB7.2 million, respectively. Zhongnan Design Institute owns 100% of the equity interest in Zhongnan. The scope of business of Zhongnan includes: (a) the engineering design, planning, tendering and post-completion consultation of thermal power work, as well as formulating proposals and feasibility studies; (b) consultation services on engineering design, assessment and tendering in respect of geology, hydrogeology, geotechnical engineering and engineering survey, as well as formulating proposals and feasibility studies; (c) tendering agency of various engineering work; (d) consultation services on engineering design, formulating proposals and feasibility studies and assessment in respect of environmental engineering work; and (e) formulating proposals and feasibility studies of construction works. Zhongnan is qualified as a grade A engineering consultation entity as well as a grade A engineering tendering agency entity in the PRC. Both Zhongnan and Zhongnan Design

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Institute are independent third parties. We consider the Transfer Price to be fair and reasonable after our due diligence and our Directors are of the view that the acquisition of the Zhongnan's Interest (the "**Acquisition**") will be beneficial to our future growth and to our Shareholders as a whole. On May 9, 2012, we placed a bid to acquire the Zhongnan's Interest. On May 18, 2012, we received a notification from the Chongqing Exchange that our bid was accepted subject to our payment of the requisite bid bond. On June 4, 2012, our Company and Zhongnan Design Institute entered into a share transfer agreement in relation to the transfer of the Zhongnan's Interest (the "**SPA**").

Our Company fully settled the Transfer Price and all related transactional fees pursuant to the SPA. We have obtained the necessary documents for transfer of title and other related documents, which were required to be filed with the relevant industrial and commercial bureau.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 4.04(2) and Rule 4.04(4)(a) of the Listing Rules on the following grounds:

- i. **Immateriality** – The Acquisition was immaterial to us. Based on the financial information stated in the Bid Notice, the relevant percentage ratios, as defined under Rule 14.04(9) of the Listing Rules, as of, or for the year ended on, December 31, 2011, are approximately as follows:

- (a) Asset ratio: 0.07%
- (b) Profit ratio: 0.06%
- (c) Revenue ratio: 0.08%

The Acquisition was not significant enough that would require us to prepare pro forma financial information in this Prospectus pursuant to Rule 4.28 of the Listing Rules.

- ii. **Insufficient financial information and time** – Since the Acquisition was completed only recently, and we have not been actually involved in the day-to-day management of Zhongnan, we did not have sufficient time to obtain the necessary financial information of Zhongnan. Moreover, even if we did get such information, we and our reporting accountants will need to evaluate the work and time entailed for preparing the consolidated financial information of our Group and Zhongnan pursuant to Rule 4.09 of the Listing Rules. Due to the tight timeframe between the completion of the Acquisition and the Listing, it would be impracticable, if not impossible, for us to disclose the financial information of Zhongnan for each of the three financial years immediately preceding the issue of this Prospectus.
- iii. **Alternative disclosure** – We will disclose in this Prospectus important information pertaining to Zhongnan, including publicly available information contained in the Bid Notice for the Zhongnan's Interest (e.g. its corporate structure, scope of business and business focus), the key financial information including revenue, net profit, asset and net asset, with a view to allowing the potential investors to understand Zhongnan in greater details and the impact of the Acquisition on our Group as a whole.

The detailed information for Zhongnan as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules will be disclosed in our annual report in relation to our financial year ending December 31, 2012 once the relevant information becomes available.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules require that there must be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total issued share capital must at all times be held by the public; and (ii) where an issuer has more than one class of securities apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s), including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital. However, the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital and must have an expected market capitalization at the time of listing of not less than HK\$50 million. Moreover, under Rule 8.08(1)(d) of the Listing Rules, subject to certain criteria, the Stock Exchange may, at its discretion, accept a lower percentage of between 15% and 25% in the case of issuers with an expected market capitalization at the time of listing of over HK\$10 billion, where it is satisfied that the number of securities concerned and the extent of their distribution would enable the market to operate properly with a lower percentage.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.08(1) of the Listing Rules to allow a minimum public float for the H shares to be the higher of (i) 17.87% of the total issued Shares; or (ii) such a percentage of the H Shares held by the public immediately after completion of the Global Offering, as increased by the H Shares which may be issued upon the exercise of the Over-allotment Option and the transfer and conversion of the relevant Domestic Shares into H Shares pursuant to the PRC regulations on reduction of Domestic Shares.

The above waiver is subject to the condition that we will make appropriate disclosure of the lower prescribed percentage of public float of the H Shares and confirm sufficiency of public float of the H Shares in successive annual reports after Listing. In the event that the public float percentage falls below the minimum percentage prescribed by the Stock Exchange, we will take appropriate steps to ensure that the minimum percentage of public float prescribed by the Stock Exchange is complied with.