
WAIVERS FROM STRICT COMPLIANCE WITH THE [REDACTED] RULES AND EXEMPTIONS FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the [REDACTED] Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the [REDACTED] Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Our headquarters is located in Dalian. Substantially all of the business operations of our Group are located in the PRC and most of our executive Directors ordinarily reside in the PRC. We do not and, for the foreseeable future, will not have sufficient management presence in Hong Kong.

Accordingly, we have applied to the [REDACTED] for, and the [REDACTED] has granted us, a waiver from strict compliance with the requirements of Rule 8.12 of the [REDACTED] Rules, subject to us putting in place certain measures in order to ensure that effective communication is maintained between the [REDACTED] and us. For further details of such waiver, see the section headed “Directors and Senior Management — Management Presence” in this [REDACTED].

CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions of our Company under the [REDACTED] Rules following the completion of the [REDACTED]. We have applied to the [REDACTED] for, and the [REDACTED] has granted us, a waiver from strict compliance with (i) the announcement and independent shareholders’ approval requirements, (ii) the annual cap requirement, and (iii) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the [REDACTED] Rules for such continuing connected transactions. For further details in this respect, see the section headed “Connected Transactions” in this [REDACTED].

ACCOUNTS IN THIS [REDACTED]

The Accountants’ Report set out in Appendix I to this [REDACTED] contains the consolidated results of our Group for the three financial years ended August 31, 2013 and the nine months ended May 31, 2014. Rule 4.04(1) of the [REDACTED] Rules requires that the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of the [REDACTED] be included in the Accountants’ Report to this [REDACTED]. Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all [REDACTED] to include, among other things, matters specified in the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Paragraph 27 of Part I of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires the [REDACTED] applicant to set out in the [REDACTED] a statement as to the gross trading income or sales turnover during each of the three years immediately preceding the issue of the [REDACTED], including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities. Paragraph 31 of Part II of the Third Schedule of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that the [REDACTED] applicant to include in the [REDACTED] a report by the auditors with respect to the profits and losses and assets and liabilities of the [REDACTED] applicant in respect of each of the three financial years immediately preceding the issue of the [REDACTED].

We have applied for (i) a waiver from the [REDACTED] from strict compliance with Rule 4.04(1) of the [REDACTED] Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and

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Miscellaneous Provisions) Ordinance from the SFC from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, in relation to the inclusion of the Accountants’ Report for the full financial year ended August 31, 2014 in this [REDACTED], on the following grounds:

- if the accountants are required to complete the auditing work for the three months ended August 31, 2014, the additional time required would result in our Company being unable to issue the [REDACTED] according to the timetable contemplated. Therefore it will be unduly burdensome to include in the [REDACTED] the audited financial statements of our Company for the full financial year ended August 31, 2014;
- the preliminary unaudited financial information for the financial year ended August 31, 2014 and a relevant commentary on the results for the year will be appended to the [REDACTED] to ensure that sufficient information is provided to potential [REDACTED] to make an informed assessment of the financial position of the Group;
- notwithstanding that the [REDACTED] will not include the audited financial statements for the three months ended August 31, 2014, our Directors confirm that they have performed sufficient due diligence to ensure that, up to the date of this [REDACTED], there is no material adverse change in our financial or trading position or prospects since May 31, 2014, and there is no event since May 31, 2014 which would materially affect the information shown in the Accountants’ Report set forth in Appendix I to this [REDACTED]; and
- in view of the reasons above, our Directors are of the view that all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this [REDACTED], therefore the granting of a waiver and an exemption from compliance with such requirements would not prejudice the interests of the investing public.

The waiver from strict compliance with Rule 4.04(1) of the [REDACTED] Rules was granted by the [REDACTED] on the following conditions:

- (i) We [REDACTED] on the [REDACTED] by November 30, 2014.
- (ii) We obtain a certificate of exemption from the SFC on compliance with the requirements set out in paragraphs 27 of Part I and 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.
- (iii) The financial information for the year ending August 31, 2014 and a commentary on the results for the year will be included in the [REDACTED]. The financial information to be included in the [REDACTED] will (a) follow the same content requirements as for a preliminary results announcements under Rule 13.49 of the [REDACTED] Rules; and (b) be agreed with the reporting accountants following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants.

The certificate of exemption has been granted by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (i) the particulars of the exemption be set forth in this [REDACTED] and (ii) this [REDACTED] be issued on or before November 18, 2014.

PUBLICATION OF PRELIMINARY RESULTS

Pursuant to Rule 13.49(1) of the [REDACTED] Rules, an [REDACTED] is required to publish its preliminary results in respect of each financial year as soon as possible, but in any event no later than three months after the end of the financial year.

The Company has included in this [REDACTED] the unaudited financial information for the year ending August 31, 2014 and a commentary on the results for the year and Maples and Calder, our legal adviser as to the Cayman

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Islands law has confirmed that we are not in breach of the Articles of Association, Cayman Islands laws and regulations or other regulatory requirements regarding our obligation to publish annual results announcements if we do not publish the preliminary results announcements for the year ended August 31, 2014 in accordance with Rule 13.49(1) of the [REDACTED] Rules. Accordingly, we have applied to the [REDACTED] for, and the [REDACTED] has granted, a waiver from strict compliance with the requirements under Rule 13.49(1) of the [REDACTED] Rules in respect of the publication of the preliminary results announcement for the year ended August 31, 2014.