OVERVIEW

As of the Latest Practicable Date, Mr. Cao and Ms. Su jointly controlled approximately 30.63% of our total share capital. Immediately following the completion of the [**REDACTED**] (assuming [**REDACTED**] and the [**REDACTED**] are not exercised), Mr. Cao and Ms. Su will control in aggregate approximately [**REDACTED**]% of our total share capital and will constitute our Single Largest Shareholders Group following the [**REDACTED**].

For a simplified corporate structure chart of our Group, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure."

NON-COMPETITION UNDERTAKING

Non-Competition Undertaking Given by Mr. Cao

On January 31, 2011, Mr. Cao provided a long-term non-compete undertaking to our Company, pursuant to which he undertook from the date of the undertaking:

(1) Neither Mr. Cao nor any enterprise in which Mr. Cao holds an interest has produced or developed any product that competes or may potentially compete with the products manufactured by our Company, has directly or indirectly operated any business that competes or may potentially compete with the business conducted by our Company, or has participated in any investment in other enterprises whose products or business operations compete or may potentially compete with those of our Company.

(2) Neither Mr. Cao nor any enterprise in which Mr. Cao holds an interest shall produce or develop any product that competes or may potentially compete with the products manufactured by our Company, shall directly or indirectly operate any business that competes or may potentially compete with the business conducted by our Company, nor shall they participate in any investment in other enterprises whose products or business operations compete or may potentially compete with those of our Company;

(3) In the event that our Company further expands its product and business scope, neither Mr. Cao nor any enterprise in which Mr. Cao holds an interest shall engage in any activity that competes with the expanded products or business of our Company. If any such competition arises, Mr. Cao and the relevant enterprises shall eliminate such competition by either ceasing the production or operation of the competing products or business, integrating the competing business into our Company's operations, or transferring the competing business to an unrelated third party; and

(4) In the event that the undertaking is proven to be untrue or not to be complied with, Mr. Cao shall indemnify our Company for all direct and indirect losses incurred.

CONFIRMATION IN RELATION TO ANY COMPETING INTEREST

The Single Largest Shareholders Group has confirmed that they do not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Single Largest Shareholders Group after the [**REDACTED**].

(1) Management Independence

Our business has been managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board consists of eight Directors, comprising five Executive Directors and four independent non-executive Directors, and we also have ten senior management members (of which four are Executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management."

(2) Operational Independence

Our Directors are of the view that we can continue operating independently from our Single Largest Shareholders Group after the [**REDACTED**]. We hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respect, and we have sufficient capital, facilities, equipment and employees to operate our business independently from our Single Largest Shareholders Group. We have also established a comprehensive set of internal control measures to facilitate effective business operations, and we maintain independent customer acquisition channels. Our business operations do not rely on the support of the Single Largest Shareholders Group in relation to suppliers. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Single Largest Shareholders Group.

In light of the above, our Directors are satisfied that we have been operating independently from our Single Largest Shareholders Group and their respective associates during the Track Record Period and will continue to be able to operate independently upon [**REDACTED**].

(3) Financial Independence

We have adopted our own independent internal control, accounting, funding, reporting and financial management systems, and we also have an independent accounting and finance department responsible for discharging relevant financial management function with relevant finance personnel.

Moreover, we open and manage our bank accounts independently and have never shared any bank account with our Single Largest Shareholders Group. We are also capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Shareholders Group in view of our Group's strong financial position, steady cash flow and level of liquid assets as well as our ability to raise funds on a standalone basis. We do not expect to rely on our Single Largest Shareholders Group or their respective close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalents on the balance sheet as well as the [**REDACTED**] from the [**REDACTED**]. As of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Single Largest Shareholders Group or their respective associates.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholders Group and their close associates from a financial perspective without undue reliance on our Single Largest Shareholders Group or their close associates.

(4) Corporate Governance Measures

Our Directors acknowledge the importance of good corporate governance in protection of our Shareholders' interests. In order to further manage any potential conflicts of interest with the Single Largest Shareholders Group and their respective close associates, we have adopted the following measures:

(1) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association and terms and rules of procedure of Board meetings to comply with the Listing Rules to provide that a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest;

(2) our Company has formulated and adopted policies and mechanisms in relation to (i) internal controls and decision-making procedures for related party transactions and connected transactions, (ii) the prevention of appropriation of funds by the Single Largest Shareholders Group, our Group and other related parties, (iii) provision of external guarantee, and (iv) internal audit;

(3) we will keep a balanced composition of Executive and independent non-executive Directors on the Board. Upon [**REDACTED**], we will have four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment. We also believe that our independent non-executive Directors are able to provide impartial opinions to safeguard the interests of our Shareholders as a whole;

(4) where our independent non-executive Directors request or are requested to review any conflict of interests circumstances between our Group and our Single Largest Shareholders Group and their respective close associates, our Single Largest Shareholders Group and/or our other Directors shall provide our independent non-executive Directors with all necessary information for consideration and our independent non-executive Directors shall be provided with access to independent advisors at the expense of our Company;

(5) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(6) we have appointed Somerley Capital Holdings Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to corporate governance, upon [**REDACTED**].