OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Ren directly held approximately 16.15% of the voting rights of our Company and Ms. Zhong, Mr. Ren's spouse, directly held approximately 4.63% of the voting rights of our Company. Accordingly, Mr. Ren and Ms. Zhong were collectively entitled to exercise approximately 20.78% of the voting rights in our Company as of the Latest Practicable Date and constitute our Single Largest Group of Shareholders.

Mr. Ren is also the chairman of the Board and our executive Director. For details, see "Directors and Senior Management".

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Single Largest Group of Shareholders will collectively hold approximately [**REDACTED**] of the voting rights in our Company. Therefore, upon [**REDACTED**], Mr. Ren and Ms. Zhong will remain as our Single Largest Group of Shareholders and our Company will not have any controlling shareholder as defined under the Listing Rules upon [**REDACTED**].

CONFIRMATION OF NO COMPETING INTEREST

Both Mr. Ren and Ms. Zhong confirmed that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Non-competition Undertaking in connection with the A Shares Listing

For the purpose of the listing of our A Shares on the ChiNext Board of the Shenzhen Stock Exchange in October 2009 and in order to avoid any potential competition between Mr. Ren and Ms. Zhong on the one hand and our Company on the other hand, each of Mr. Ren and Ms. Zhong entered into a non-competition undertaking in favor of our Company before the listing of our A Shares on the ChiNext Board of the Shenzhen Stock Exchange in October 2009, pursuant to which he/she has undertaken, among others, that, (i) during the period in which he/she holds more than 5% of our Company's Shares, he/she shall not, in any region or in any form, engage in activities that may constitute competition with our Company; (ii) any business opportunities obtained from third parties that fall within the principal business scope of our Company shall be disclosed to our Company, and he/she shall use best efforts to assist our Company to take up such opportunities; and (iii) he/she shall not, in any form, engage in any business or activities that may adversely affect our Company's operations or development.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**].

Management Independence

Upon[**REDACTED**] , our Board will comprise nine Directors, including six executive Directors and three independent non-executive Directors. Our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period and have substantial and extensive relevant industry experience and expertise as set out in "Directors and Senior Management." Save as Mr. Ren, who is a member of our Single Largest Group of Shareholders and an executive Director, none of our Directors or members of the senior management are the members of our Single Largest Group of Shareholders or hold any directorship or executive position in our Single Largest Group of Shareholders or their close associates.

Our Directors consider that our Board and senior management will function independently of our Single Largest Group of Shareholders for the following reasons:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our day-to-day management and operation decisions rest primarily with our executive Directors and senior management members, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For the background and biographical details of our executive Directors and senior management, see "Directors and Senior Management";

(c) we had appointed three independent non-executive Directors, comprising one-third of the total number of Directors on our Board, who have sufficient knowledge, experience and competence with a view to bring independent judgment to the decision-making process of our Board and provide independent advice to our Board committees;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. For further details, see "— Corporate Governance Measures".

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their respective close associates for our business development, staffing, administration, finance, internal audit, IT, sales and marketing, procurement or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to our suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently. Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their respective close associates.

Based on the above, our Directors are satisfied that we have been operating independently from our Single Largest Group of Shareholders and their respective close associates during the Track Record Period and will continue to operate independently.

Financial Independence

Our Group is able to operate independently from our Single Largest Group of Shareholders and their close associates from the financial perspective. Our Group has established its own finance department responsible for the financial management, accounting and taxation in the ordinary and usual course of business of our Company. Our Group also has its own risk management and internal control system, independent accounting and financial management system and independent management for cash receipts and payments. Our Group's accounting and finance functions are independent from our Single Largest Group of Shareholders and their close associates. Our Company opens accounts with banks independently and does not share any bank account with our Single Largest Group of Shareholders.

We do not rely on our Single Largest Group of Shareholders or their close associates to provide financial assistance to our Group. We have independent access to third party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Single Largest Group of Shareholders or their close associates. As of the Latest Practicable Date, our Directors confirm that there were no outstanding loans or guarantees provided by or granted to our Single Largest Group of Shareholders or their respective close associates.

Based on the above, our Directors believe that we are able to maintain financial independence from our Single Largest Group of Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interest between our Group and our Single Largest Group of Shareholders:

(a) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, 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 nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself/herself from the board meetings on matters in which such Director or his/her close associates have a material interest, unless the attendance or participation of such Director at such meeting of our Board is specifically requested by a majority of the independent non-executive Directors;

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(d) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors to our Board. We believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide impartial and external opinions to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management — Board of Directors — Independent non-executive Directors";

(e) in the event that the independent non-executive Directors are requested to review any conflicts of interest circumstances between our Group on the one hand and our Single Largest Group of Shareholders and/or our Directors on the other hand, our Single Largest Group of Shareholders and/or our Directors shall provide the independent non-executive Directors with all the necessary information and our Company will disclose the decisions of the independent non-executive Directors either through our interim and annual reports or by way of announcements;

(f) pursuant to the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from independent professionals in appropriate circumstances at our Company's expense; and

(g) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Group of Shareholders and to protect minority Shareholders' interests as a whole after the [**REDACTED**].