OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, CCC Holdings directly controlled approximately 56.37% of the total issued share capital of our Company. CCC Holdings is a wholly-owned subsidiary of MD Group. Accordingly, CCC Holdings and MD Group are our Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will continue to control over [REDACTED]% of the total issued share capital of our Company and will remain as our Controlling Shareholders upon the [REDACTED]. For details, see "History, Development and Corporate Structure — Corporate Structure."

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Apart from the operations of our Group, MD Group, together with its subsidiaries (including CCC Holdings), primarily engages in, investment holding, development and operation of farmer market, furniture market and other specialized markets, property management and residential development.

Each of the Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it did not have any interest in other business, 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-COMPETE UNDERTAKINGS

Since our A-Shares listing, CCC Holdings (the "**Undertaking Shareholder**") has provided a non-compete undertaking (the "**Non-compete Undertaking**") to our Company in order to avoid potential competition, pursuant to which, it has undertaken that, among others:

(1) as of the date of the Non-compete Undertaking, the Undertaking Shareholder and its controlled enterprises (excluding the Group) do not, whether within or outside China, in any manner, directly or indirectly engage in any business or activities that constitute or may constitute, directly or indirectly, competition with the principal business of the Company;

(2) during the period in which the Undertaking Shareholder remains the Controlling Shareholder of the Company, the Undertaking Shareholder and its controlled enterprises (excluding the Group) will not invest in or establish any other enterprises that compete with the principal business of the Company, nor will they, in any manner, directly or indirectly engage in, or provide any form of support to, any business or activities that compete with the principal business currently or subsequently conducted by the Company;

(3) if in the future, any business opportunities available to the Undertaking Shareholder and its controlled enterprises (excluding the Group) compete or may potentially compete with the principal business of the Company, the Undertaking Shareholder shall promptly notify the Company and use best efforts to procure that such business opportunities are first offered to the Company on terms no less favourable than those offered to the Undertaking Shareholder and its controlled enterprises (excluding the Group), in order to avoid actual or potential competition with the Company and to ensure that the lawful rights and interests of the Company and its other shareholders are not adversely affected; and

(4) the Undertaking Shareholder has undertaken that, in the event of any breach of the above undertakings, it shall promptly take necessary corrective and remedial actions and shall compensate the Company for any direct and indirect economic losses, liabilities and additional costs and expenses incurred as a result of its failure to perform the above undertakings.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [REDACTED], taking into consideration the factors below.

Management Independence

Our Board consists of 10 Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors. Other than two of our executive Directors, namely, Mr. CHEN Dezhan and Mr. BAO Hua, none of our other Directors hold any directorship or managerial positions within the Controlling Shareholders.

Name of the Management	Roles in our Company	Roles in Controlling Shareholders
Mr. CHEN Dezhan	Chairperson	Chairperson, Manager of CCC Holdings
Mr. BAO Hua	Vice Chairperson, General Manager	Director of CCC Holdings

Our Directors consider that we are capable of maintaining management independence for the following reasons:

(a) Each of Mr. CHEN Dezhan and Mr. BAO Hua holds positions in CCC Holdings in consideration of his managerial role in overseeing the overall operations of our Group and the fact that our Company will continue to be a major subsidiary of CCC Holdings. Moreover, Mr. BAO Hua does not participate in the day-to-day business management of CCC Holdings, nor does he exercise any management or control over the business of CCC Holdings.

(b) save for Mr. CHEN Dezhan and Mr. BAO Hua, none of our Directors or members of our senior management team holds any directorship or managerial position in the Controlling Shareholders or their close associates. Our Board has a balanced composition with a majority of non-executive Directors including independent non-executive Directors.

(c) the business of CCC Holdings does not compete with our core business, and there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest. Therefore, the dual roles assumed by Mr. CHEN Dezhan and Mr. BAO Hua will not affect the requisite degree of impartiality of our Directors as a whole in discharging their fiduciary duties owed to our Company;

(d) our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this Document;

(e) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(f) 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

(g) we have four independent non-executive Directors and certain matters of our Company, including continuing connected transactions, must always be referred to the independent non-executive Directors for review. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders which would support our independent management. See "— Corporate Governance" for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business operation and 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 Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. All essential administrative functions are carried out by our Group independently and without support of our Controlling Shareholders and their close associates.

We have independent access to our suppliers and customers. We are in possession of all material 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.

We have entered into certain continuing connected transactions with our Controlling Shareholders and/or their respective associates, the details of which are set out in the section headed "Connected Transactions" in this Document. All such transactions will be conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group. These transactions did not and are not expected to be significant to our Group. Therefore, our Directors believe that these continuing connected transactions do not affect our operational independence as a whole.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and its close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We are capable of obtaining financing from third parties, without reliance on our Controlling Shareholders and their respective close associates.

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 Controlling Shareholders or their respective associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders after the [REDACTED].

CORPORATE GOVERNANCE

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 protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Controlling Shareholders:

(a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders or their respective associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

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

(e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management";

(f) 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

(g) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders' interests after the [REDACTED].