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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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In preparation for the [REDACTED], our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**MANAGEMENT PRESENCE IN HONG KONG**

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules primarily on the basis that, as our headquarters and principal business operations are located in the PRC, our management is best able to attend to its function by being based in the PRC. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to, among others, the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Mr. Hu and Mr. Liu Yan (劉炎) (“**Mr. Liu**”), one of our joint company secretaries, who will act as our Company’s principal channel of communication with the Stock Exchange. Although Mr. Hu and Mr. Liu reside in the PRC, they possess valid travel documents and are able to renew such travel documents when they expire to travel to Hong Kong. In addition, Ms. Cheung Ka Lun Karen (張嘉倫) (“**Ms. Cheung**”), one of our joint company secretaries who is ordinarily resident in Hong Kong, has been appointed as the alternate to the two authorized representatives. Each of our authorized representatives and the alternate authorized representative will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email. Each of our authorized representatives and the alternate authorized representative is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. Cheung has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;
- (b) both our authorized representatives and the alternate authorized representative have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her mobile phone number, residential phone number, fax number and/or email address to our authorized representatives and the alternate authorized representative. In the event that a

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

---

Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives and the alternate authorized representative or maintain an open line of communication via his/her mobile phone. Each of our Directors, the authorized representatives and the alternate authorized representative has also provided his/her mobile number, office phone number, fax number and/or email address (if applicable) to the Stock Exchange;

- (c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Haitong International Capital Limited as our compliance advisor, which shall have access at all times to our authorized representatives, alternate authorized representative, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives, alternate authorized representative or the compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will promptly inform the Stock Exchange of any changes of our authorized representatives, the alternate authorized representative and/or the compliance advisor.

**JOINT COMPANY SECRETARIES**

According to Rules 3.28 and 8.17 of the Listing Rules and the Stock Exchange’s guidance letter HKEX-GL 108-20 issued by the Stock Exchange, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) 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. According to the Guidance Letter HKEx-GL108-20, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case, will not exceed three years from the [REDACTED] (the “Waiver Period”) and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the Company.

We have appointed Mr. Liu and Ms. Cheung as our joint company secretaries. Mr. Liu is our general manager of the funding center. He is primarily responsible for and overseeing corporate financing and company secretarial matters of the Group. Mr. Liu has over seven years of corporate financing experience and served in various companies in the PRC before joining our Group. Our Directors are of the view that, having regard to the facts that Mr. Liu

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

---

obtained the certificate of Secretary of the Board (董事會秘書資格證書) issued by the Shenzhen Stock Exchange in April 2021 and joined our Group in August 2018, he has thorough understanding of the business and operation of our Group. Moreover, he has been participating in capital market-related matters and representing our Group in discussions and negotiations in corporate financing and company secretarial matters, and thus he is considered as a suitable person to act as a company secretary of the Company. In addition, as our headquarters and principal business operations are located in Shenzhen in the PRC, our Directors believe that it is necessary to appoint Mr. Liu as a company secretary whose presence enables him to attend to the day-to-day company secretarial matters concerning our Group. However, as Mr. Liu does not possess a qualification as stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Therefore, our Company has appointed Ms. Cheung, a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules to act as the other joint company secretary to provide support to Mr. Liu on an ongoing basis.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules on the condition that Mr. Liu will be assisted by Ms. Cheung as our joint company secretary throughout the Waiver Period. Having over seven years of experience in the corporate secretarial field and having been providing professional corporate and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies, Ms. Cheung is, in our Company’s opinion, a person who is qualified and suitable to provide assistance to Mr. Liu, for the Waiver Period so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. In addition, Mr. Liu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Mr. Liu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Cheung ceases to provide such assistance or if our Company commits any material breaches of the Listing Rules during the Waiver Period. We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Mr. Liu, having had the benefit of Ms. Cheung’s assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

The biographical information of Mr. Liu and Ms. Cheung is set out in “Directors and Senior Management” in this document.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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**LX BROTHERS EMPLOYEE INCENTIVE PLAN**

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company:

- (a) Rule 17.02(1)(b) of the Listing Rules requires our Company to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;
- (b) paragraph 27 of Appendix 1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to be issued, circulated or distributed in Hong Kong to include, among other information, the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in this document, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely (a) the period during which it is exercisable, (b) the price to be paid for shares and debentures subscribed for under it, (c) the consideration (if any) given or to be given for it or for the right to it, and (d) the names and addresses of the persons to whom it was given.

Guidance Letter HKEX-GL11-09 issued by the Stock Exchange provides that the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

Pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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As of the Latest Practicable Date, our Company had granted options under the LX Brothers Employee Incentive Plan to a total of 102 eligible grantees, comprising two Directors, two senior management and one connected person of our Company and 97 employees of our Group, to subscribe for an aggregate of 6,622,445 Shares (as adjusted to [REDACTED] Shares after the Capitalization Issue) under the LX Brothers Employee Incentive Plan, representing [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) on the terms set out in “Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan” in Appendix IV.

We have applied to the Stock Exchange and SFC, respectively for, for (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 102 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the LX Brothers Employee Incentive Plan in this document will require an additional number of pages of disclosure that does not provide any material or meaningful information to the investing public;
- (b) the grant and exercise in full of the options under the LX Brothers Employee Incentive Plan will not cause any material adverse impact to the financial position of our Company;
- (c) non-compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (d) material information relating to the options under the LX Brothers Employee Incentive Plan will be disclosed in this document, including the total number of Shares subject to the LX Brothers Employee Incentive Plan, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the LX Brothers Employee Incentive Plan. The Directors consider that the information that is reasonably necessary for potential investors to make an informed assessment in their investment decision making process has been included in this document.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interest of the investing public.

The Stock Exchange [has agreed] to grant to our Company a waiver under the Listing Rules on condition that:

- (a) on an individual basis, full details of the options granted under the LX Brothers Employee Incentive Plan to each of the Directors, the senior management, the connected person of the Company and Key Employees (as defined below) who are not Directors or the senior management of our Company will be disclosed in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the LX Brothers Employee Incentive Plan to remaining grantees (other than set out in (a) above), disclosure will be made, on an aggregate basis, of (1) the aggregate number of grantees and number of Shares underlying the options under the LX Brothers Employee Incentive Plan, (2) the consideration paid (if any) for the grant of the options under the LX Brothers Employee Incentive Plan and (3) the exercise period and the exercise price of the options granted under the LX Brothers Employee Incentive Plan, in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV;
- (c) aggregate number of Shares underlying the options granted under the LX Brothers Employee Incentive Plan and the percentage to the Company's total issued share capital represented by such number of Shares as of the Latest Practicable Date will be disclosed in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV;
- (d) the potential dilution effect and impact on earnings per Share upon the full exercise of the options under the LX Brothers Employee Incentive Plan will be disclosed in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV;
- (e) a summary of the major terms of the LX Brothers Employee Incentive Plan will be disclosed in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV;
- (f) the particulars of the waiver and the exemption will be disclosed in this document;

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

---

- (g) a list of all the grantees (including those persons whose details have already been disclosed) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for public inspection as described in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V; and
- (h) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC [has agreed] to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on condition that:

- (a) on an individual basis, full details of the options granted under the LX Brothers Employee Incentive Plan to each of the Directors, the senior management, the connected person of the Company and other grantees who have been granted options representing 270,000 Shares or above (the "**Key Employees**") will be disclosed in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted under the LX Brothers Employee Incentive Plan to remaining grantees (other than set out in (a) above ), disclosure will be made, on an aggregate basis, of (1) the aggregate number of grantees and number of Shares underlying the options under the LX Brothers Employee Incentive Plan, (2) the consideration paid (if any) for the grant of the options under the LX Brothers Employee Incentive Plan and (3) the exercise period and the exercise price of the options granted under the LX Brothers Employee Incentive Plan, in "Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan" in Appendix IV;
- (c) a list of all the grantees (including those persons whose details have already been disclosed in this document) who have been granted the options under the LX Brothers Employee Incentive Plan, containing all the particulars as required in paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection as described in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V;

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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- (d) the particulars of the exemption will be disclosed in this document; and
- (e) this document will be issued on or before October 31, 2022.

Further details of the LX Brothers Employee Incentive Plan are set out in the section headed “Appendix IV – Statutory and General Information – D. Employee Incentive Plans – 1. LX Brothers Employee Incentive Plan.”

**CONTINUING CONNECTED TRANSACTIONS**

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “Connected Transactions – Continuing Connected Transactions subject to the reporting, annual review and announcement requirements but exempt from the circular and the independent Shareholders’ approval requirements”. See “Connected Transactions” in this document for details.