

SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the [REDACTED] (assuming the [REDACTED] is not exercised):

		Nominal value (HK\$)
Authorized share capital:		
1,000,000,000	Shares of HK\$0.01 each	10,000,000
Issued and to be issued, fully paid or credited as fully paid⁽¹⁾:		
61,910,299	Shares of par value HK\$0.01 each	619,102.99
15,091,329	Series A Preferred Shares of par value HK\$0.01 each	150,913.29
14,593,840	Series B Preferred Shares of par value HK\$0.01 each	145,938.40
2,084,011	Series C Preferred Shares of par value HK\$0.01 each	20,840.11
12,824,688	Series D-1 Preferred Shares of par value HK\$0.01 each	128,246.88
3,606,944	Series D-2 Preferred Shares of par value HK\$0.01 each	36,069.44
1,000,000	Series D-3 Preferred Shares of par value HK\$0.01 each	10,000.00
[REDACTED]	Shares to be issued pursuant to the Capitalization Issue	[REDACTED]
[REDACTED]	Shares to be issued under the [REDACTED]	[REDACTED]
<u>[REDACTED]</u>	Total	<u>[REDACTED]</u>

Note:

- (1) The Preferred Shares will be converted into ordinary Shares on a one-to-one basis by way of redesignation on the [REDACTED].

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional and the issue of Shares pursuant to the Capitalization Issue and the [REDACTED] are made. It takes no account of any Shares which may be issued pursuant to the exercise of the [REDACTED] or any Shares that may be issued or bought back by us pursuant to the general mandates granted to our Directors to issue or buyback Shares as described below.

SHARE CAPITAL

RANKINGS

The [REDACTED] will be ordinary shares in the share capital of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this document and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document save for the entitlement under the Capitalization Issue.

EMPLOYEE INCENTIVE PLANS

Our Company adopted the LX Brothers Employee Incentive Plan and Beauty Bear Employee Incentive Plan on March 23, 2022 and April 1, 2022, respectively. The principal terms of the LX Brothers Employee Incentive Plan and the Beauty Bear Employee Incentive Plan are summarized in “Statutory and General Information – D. Employee Incentive Plans” in Appendix IV to this document.

GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares in the share capital of our Company with a total number of issued shares of not more than the sum of:

- (1) 20% of the total number of Shares in issue immediately following the completion of the Capitalization Issue and the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]); and
- (2) the total number of Shares bought back by our Company (if any) pursuant to the general mandate to buyback Shares granted to our Directors referred to below.

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement.

This general mandate will remain in effect until the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or
- (iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in “Statutory and General Information – A. Further information about our Group – 5. Written resolutions of our Shareholders passed on September 27, 2022” in Appendix IV to this document.

SHARE CAPITAL

GENERAL MANDATE TO BUYBACK SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to buy back Shares with a total number of Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the Capitalization Issue and the [REDACTED] (excluding Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]).

This mandate only relates to buybacks made on the Stock Exchange or any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in “Statutory and General Information – A. Further information about our Group – 7. Buyback by our Company of our own securities” in Appendix IV to this document.

This general mandate will remain in effect until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or
- (iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in “Statutory and General Information – A. Further information about our Group – 5. Written resolutions of our Shareholders passed on September 27, 2022” in Appendix IV to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company will have only one class of Shares, namely ordinary shares, each of which carries the same rights as the other Shares upon completion of the Capitalization Issue and the [REDACTED].

As a matter of the Cayman Islands Companies Act, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed under the Articles, a summary of which is set out in “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix III to this document.