

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), will be approximately [REDACTED] (or [REDACTED]), after deduction of [REDACTED] fees and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

In line with our business strategy, we intend to use the [REDACTED] for the following purposes under our future plan. We may adjust the use of the [REDACTED] according to changes in business needs and market conditions:

- **Approximately [REDACTED]% (or [REDACTED]) will be used for strengthening our supply chain warehousing and logistics network. In particular,**

We plan to further strengthen our warehousing capabilities in key operational regions in Indonesia, mainly for supporting our growth. In particular, we expect that approximately [REDACTED]% (or [REDACTED]) will be used in Surabaya, Indonesia for a warehouse of approximately 20,000 sq.m.; approximately [REDACTED]% (or [REDACTED]) will be used in Medan, Indonesia for a warehouse of approximately of 10,000 sq.m.; and approximately [REDACTED]% (or [REDACTED]) will be used in Makassar, Indonesia for a warehouse of approximately 10,000 sq.m. We expect the [REDACTED] will be used in the manner as set out below:

Warehouse	Rent	Fitting-out Cost	Equipment Procurement	Other Expenditures ⁽¹⁾	Total
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Surabaya	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Medan.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Makassar	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

(1) Other primarily consists of staff salaries, utilities and miscellaneous expenses.

As at the Latest Practicable Date, we were still in the planning phase and had not entered into any rent agreement. Based on our preliminary search and site study, suitable locations which are proximate to local markets which may optimise our delivery and enhance cost efficiency are available. We expect that the specific launch timeline for warehouse in Surabaya, Medan and Makassar will be the end of 2026, third quarter of 2027 and third quarter of 2028, respectively.

Such warehouses in Indonesia will complement our existing warehousing network of six central warehouses, which includes three located in Java Island and one in each of Vietnam, Thailand and the Philippines. For more details of our existing warehousing network, please see “Business — Supply Chain Management — Warehousing Infrastructure.” Taking into account (i) that our historical growth rate in terms of revenue outpaced industry growth for overall South East Asia retail market as well as regional growth in different product segments, (ii) that our warehouses are contemplated for long term use and it would not be commercially sensible or practicable to procure warehousing capacity only when demand materialised, we believe that our future plan to expand our warehousing network is justified. By developing these warehouses which is expected to enhance our coverage in Indonesia, we

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intend to address the growing demand for warehousing support for urban end-consumption across various sectors, including 3C digital products, home appliances, fast moving consumer goods and household products. While strengthening our warehousing capabilities, we will aim concurrently to increase our logistics response speed and inventory turnover efficiency, in order to enhance the stability and flexibility of our supply chain;

- **Approximately [REDACTED]% (or [REDACTED]) will be used for marketing and channel network expansion. In particular,**

- (i) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for sales network expansion in Indonesia. We plan to establish 75 self-operated physical brand stores under our different proprietary brands, with a total area of approximately 900 to 1500 sq.m. to reinforce our brand positioning and promotional depth. Among 75 self-operated stores, 50 self-operated stores will be established under ROBOT and VIVAN which together represented a majority of our revenue during the Track Record Period. The estimated area of each individual store area will range from 12 to 20 sq.m.. The following table sets forth the details of our planned allocation of total upfront cost.

Category	Estimated amount
	(RMB'000)
Fitting-out Cost	[REDACTED]
Rent and Property Management Fee.	[REDACTED]
Other Expenditures ⁽¹⁾	[REDACTED]
Total	[REDACTED]

Notes:

- (1) Other primarily consists of salaries of sales assistants of stores, utilities and miscellaneous expenses, daily maintenance fee.

We plan to establish an average of 10 self-operated stores per quarter commencing from the end of 2026, and expect to complete the opening of all 75 self-operated stores by the end of 2028. Currently, all of 75 self-operated stores are intended to be permanent in nature. Specifically, we implement a differentiated store expansion strategy across our brand portfolio:

- VIVAN and SAMONO, which will primarily be positioned in shopping malls, with planned locations strategically focused in key metropolitan areas such as Jakarta and Surabaya to align with their brand image and product nature;
- ROBOT and RONA which will adopt a roadside store format, with a rollout strategy aiming at nationwide penetration across Indonesia.

This multi-format approach is designed to optimize market coverage and cater to distinct consumer purchasing behaviours. During the Track Record Period, we had five self-operated stores. As we expect consumers will be increasing demanding, while self-operated physical brand stores generate direct sales income, we believe that the establishment of self-operated stores will also serve the more important and strategic purpose of building brand awareness and offering shopping experience under strict control by our Group, which will lay a solid foundation for our further expansion. Our self-operated stores will also serve a demonstration for our SMRs network, which is expected to grow in the future. Also, our self-operated stores under different brands will allow us to gather accurate consumer insights specific to our brands directly from our consumers.

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By establishing a nationwide network of physical brand stores in Indonesia, we expect to enhance the breadth and depth of channel coverage and provide in-person experience and sales hubs for our brands including VIVAN, ROBOT, SAMONO and RONA in order to strengthen market presence of such brands;

- (ii) Approximately [REDACTED]% (or [REDACTED]) will be used for e-commerce promotion in Indonesia to enhance visibility and market awareness of our brands on major Indonesian e-commerce platforms;
- (iii) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for the development of livestreaming ecosystem initiatives in Indonesia. In particular, we expect that approximately [REDACTED]% (or [REDACTED]) will be used for the integration of a livestreaming e-commerce operation centre with an area of approximately 9,000 sq.m., including a product exhibition hall with an area of 4,000 sq.m., a livestreaming area of 4,000 sq.m. and an office area of 1,000 sq.m. Our planned use of [REDACTED] will be used for the renovation and operation of the livestreaming e-commerce operation centre as set out below:

Category	Estimated amount
	(RMB'000)
Rent	[REDACTED]
Renovation Costs	[REDACTED]
Equipment Procurement and Network Costs ⁽¹⁾	[REDACTED]
Setup for product exhibition hall ⁽²⁾	[REDACTED]
Total	[REDACTED]

Notes:

- (1) This includes the estimated cost of procuring equipment for live streaming studios, expenses for setting up studio environment and the installation and network service fees for broadband lines, covering both live streaming studios and the office area;
- (2) This includes exhibition booth, shelving, such as cameras and lighting equipment, and facilities in the meeting area.

The establishment of our integrated livestreaming e-commerce operation centre is a strategic initiative designed to significantly enhance our online sales performance and market penetration in a three-fold manner: (a) accelerate inventory clearance and drive growth in online sales revenue by leveraging our live-stream hosts and partnered KOLs for real-time promotions; (b) boost store exposure and stimulate sales growth through live-streaming short video content and embedded product links on platforms; (c) adjust and improve overall online inventory turnover efficiency by analysing real-time user comments and order data from live streams. Tentatively, we plan to set up our integrated livestreaming e-commerce operation centre in Jakarta, Indonesia.

In addition to the aforementioned, we also expect that approximately [REDACTED]% (or [REDACTED]) will be used for live streaming placements on Indonesian platforms;

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- (iv) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for sales network expansion in the Vietnam, Thailand and Philippines. In particular, we expect that approximately [REDACTED]%, [REDACTED]% and [REDACTED]% (or [REDACTED] and [REDACTED]) will be used in the Vietnam, Thailand and Philippines, respectively. The table below sets forth the details of our planned use of [REDACTED] for sales network expansion in each country:

Country	Category	Estimated amount (RMB'000)
Vietnam . . .	Promotion and marketing support for local SMRs ⁽²⁾	[REDACTED]
	E-commerce	[REDACTED]
	Livestreaming placement on local platforms ⁽³⁾	[REDACTED]
	Subtotal	[REDACTED]
Thailand . . .	Promotion and marketing support for local SMRs ⁽²⁾	[REDACTED]
	E-commerce	[REDACTED]
	Livestreaming placement on local platforms ⁽³⁾	[REDACTED]
	Subtotal	[REDACTED]
The Philippines.	Promotion and marketing support for local SMRs ⁽²⁾	[REDACTED]
	E-commerce	[REDACTED]
	Livestreaming placement on local platforms ⁽³⁾	[REDACTED]
	Subtotal	[REDACTED]
Total		<u>[REDACTED]</u>

Note:

- (1) The above estimated amount reflects our planned use of [REDACTED] in each country over the forthcoming three-year period, with the annual amount for each category being evenly apportioned across each year.
- (2) This refers to the promotion and marketing support that we provide to SMRs, including provision of brand materials for product display, including display cabinets, glass cabinets, signage, lightboxes and LED screens, to motivate SMRs to stock our products and enhance their sales.
- (3) This refers to advertisements placement costs and relevant platform costs.

In each of these countries, we plan to further develop sales channels and livestreaming ecosystem initiatives to expand our online sales operations on third-party e-commerce platforms in its major cities and regions. Subject to material adverse change in laws, regulations and policies, and based on our ongoing monitoring and legal consultation we had in relation to laws and regulations applicable in the relevant jurisdictions as well as our experience in running operations in these countries, currently, we do not foresee any material legal impediment which may impede our expansion in these countries. We will continue to prioritize regulatory compliance as we execute our sales network expansion across these markets.

- **Approximately [REDACTED]% (or [REDACTED]) is planned to be used for enhancing brand influence. In particular,**
 - (i) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for product research and development. In light of the favourable industry landscape that the markets of 3C accessories, small appliances as well as home furnishings and building materials are expected to grow, and in particular, the share of China exports in the 3C accessories and small appliances market is expected to grow significantly, reaching a market share of over 40% for both markets, we plan to carry out product R&D in different product categories to capture upcoming opportunities. Specifically, we plan to allocate approximately [REDACTED]% (or [REDACTED]) to hardware R&D for products of 3C

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accessories, small appliances and home furnishings & building materials (especially for product appearance design, mold development), approximately [REDACTED]% (or [REDACTED]) to related App software development for product use (e.g. companion mobile App software), and approximately [REDACTED]% (or [REDACTED]) to the exploration of core product technology and pre-research projects. As at the Latest Practicable Date, we had 32 employees in our R&D department. The each division managers of the R&D department possesses over 15 years of industry experience in different product segments, complemented by strong technical proficiency in system architecture and product engineering. This combination has enabled them to build a solid foundation of industry expertise and technical development and execution capability. They are capable of managing the entire process, from market research and product strategy planning, product definition, and product design, verification and manufacturing, to product launch and marketing, which provide core experiential support and directional guidance for the advancement of OEM projects. For App software development, as at the Latest Practicable Date we had 20 employees in our IT department, led by a department manager with more than 15 years of experience in computer software development. A majority of our IT staff have more than five years of relevant experience. We plan to optimise the performance and user experience of existing products, while expanding R&D efforts into new product categories such as action camera function for 3C accessories that suitable for outdoor sports, updated hardware for products of small appliances and home furnishings & building materials with improved product features including new product molds and exterior designs with multi-device connectivity and collaborations with other brands, and continuous enhancement of support efficiency of companion App softwares. By deepening our research into application scenarios and consumer preferences, we aim to develop a diversified product portfolio that better meets local user needs and enhances our market competitiveness;

- (ii) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for brand marketing promotion and publicity. By engaging brand ambassadors for our brand, launch social media promotion and publicity campaigns, and conduct other brand-related activities, we expect to enhance our brand influence and market presence. In particular:
 - (i) approximately [REDACTED]% or RMB[REDACTED] will be allocated to brand ambassador fees for our brands VIVAN, ROBOT, SAMONO and RONA, including endorsement fees and fees for brand ambassadors to attend events;
 - (ii) approximately [REDACTED]% or [REDACTED] will be allocated to social media promotion and publicity, such as brand advertising campaigns, KOLs marketing, and performance-based advertising; and
 - (iii) approximately [REDACTED]% or RMB[REDACTED] will be designated for other activities, including offline brand events, public relations and social media efforts, creative and content creation, as well as market research and consulting.

By brand ambassador endorsement, advertising and promotion, KOL marketing and offline brand campaigns, we aim to enhance brand recognition and appeal among target customer groups which mainly consist of SMRs such as local shops selling 3C accessories and small appliances, and thereby enhance the image and influence of our proprietary brands;

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- **Approximately [REDACTED]% (or [REDACTED]) will be used for digital enhancement. In particular,**
 - (i) Approximately [REDACTED]% (or [REDACTED]) is planned to be used for the setting warehousing and logistics IT system, upgrading the inventory management system, deploying automated warehousing equipment (such as intelligent sorting systems), to achieve end-to-end upgrade of our IT system;
 - (ii) Approximately [REDACTED]% (or [REDACTED]) will be used for upgrading our financial system to realize functions such as automated accounting processing and budget control, which could improve financial management efficiency;
 - (iii) Approximately [REDACTED]% (or [REDACTED]) will be used for developing and enhancing our supply chain system, which will centralise different modules of our existing digitalised supply chain system. Currently, our digitalised supply chain system comprises separate modules for different functions along the supply chain. For example, inventory management and procurement planning are done by different modules. By building a centralised supply chain system that integrates different system modules, we will be able to minimise manual input along the entire supply chain and facilitate end-to-end data integration that in turn bolster the efficiency and accuracy of upstream supplier collaboration. Also, our centralised supply chain system is expected to deploy an intelligent replenishment algorithm to further improve inventory turnover efficiency. As we expect our SKUs and suppliers base will continue to grow, we believe such system enhancement will be beneficial and align with our continued expansion.
 - (iv) Approximately [REDACTED]% (or [REDACTED]) will be used for developing data intelligence applications, such as prediction models, inventory and customer service management, advertisement deployment and enterprise knowledge databases, in order to improve operational and management efficiency;
- **Approximately [REDACTED]% (or [REDACTED]) will be used for building localized team and talent training.**

Specifically, the table below sets forth the details of our planned [REDACTED] of localized team building:

Use	Details	Estimated amount (RMB'000)
Marketing and Channel Network Expansion	Livestream E-commerce Team ⁽¹⁾	[REDACTED]
	Ground Promotion Team ⁽²⁾	[REDACTED]
Brand Influence Enhancement	Product Teams (3C/Small appliances/Home furnishings & building materials)	[REDACTED]
	Brand Operations Teams	[REDACTED]
Full-Chain Talent Development and Reserve	Cross-border Finance/Operations Talent Training	[REDACTED]
	Retaining and Reserve of Talents	[REDACTED]
Total		<u>[REDACTED]</u>

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Note:

- (1) This includes engaging live streaming hosts in Indonesia and the Philippines.
- (2) This team will be responsible for visiting and developing SMRs and promoting our products.

We plan to direct approximately [REDACTED]% (or [REDACTED]) to the enhancement of personnel in the product and brand teams, local recruitment in Southeast Asia, training and echelon construction.

Driven by the company’s strategic goals of increasing market share and expanding product categories, there is a continuous and growing demand for specialized talent across the organization. The following table sets forth the details of our plans to recruit employees by operational region based on our current estimation. The plan is subject to changes depending on our actual needs and market conditions at the relevant time.

Region/Country	Position	Headcount
Yiwu, China.	Product Manager	6
Shenzhen, China.	AI Implementation Engineer/Specialist	1
	Product Manager	12
	Investment and Financing Manager	1
	Accounting Manager	1
	Treasury Manager	1
	Operations Director	1
	Brand Creative Design Specialist	1
Indonesia	Live-stream Host	100
	Brand Operations	9
The Philippines	Live-stream Host	10
	Sales Representative	50
Vietnam	Sales Representative	20
Thailand	Sales Representative	10
Others (Overseas Assignment)	Local Supply Chain Resource Development Manager	2
	Market Researcher	2
Total		227

We also plan to direct approximately [REDACTED]% (or approximately [REDACTED]) to the retaining and reserve of talents.

- **Approximately [REDACTED]% (or [REDACTED]) will be used as general operating capital**

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro-rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document.

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The table below sets forth the expected implementation timetable of our planned use of [REDACTED] (assuming that the [REDACTED] is not exercised):

Use	2026	2027	2028	2029	2030	2031	Total	% of the [REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
Strengthening our supply chain warehousing and logistics network	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Marketing and channel network expansion	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing brand influence . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Digital enhancement.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Building localized team and talent training	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General operating capital . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

If the [REDACTED] is not exercised, the [REDACTED] we will receive will be approximately: (i) [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range); (ii) [REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the low end of the indicative [REDACTED] range); or (iii) HK\$[REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the high end of the indicative [REDACTED] range).

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately: (i) HK\$[REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range); (ii) HK\$[REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the low end of the indicative [REDACTED] range); or (iii) HK\$[REDACTED], assuming an [REDACTED] of [REDACTED] per H Share (being the high end of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to [REDACTED] the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].