
USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$3,984.5 million after deducting estimated underwriting fees and the estimated offering expenses payable by us and based upon an indicative offer price of HK\$103.90 per Offer Share for both the Hong Kong Public Offering and the International Offering, and assuming that the Over-allotment Option is not exercised, or HK\$4,589.2 million if the Over-allotment Option is exercised in full.

The International Offer Price in the International Offering may be higher than, or the same as, the Public Offer Price in the Hong Kong Public Offering. See “Structure of the Global Offering — Pricing and allocation.”

We plan to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 20% (approximately HK\$796.9 million, assuming the Over-allotment Option is not exercised) for expanding our brand partner network. We will continue to focus on attracting new brand partners and diversifying our brand partner portfolio. We seek to conduct end-to-end omni-channel e-commerce operations for not only new international brand partners, but also local and emerging brands with high growth potential. We will spend on our Growth Brands Operating Center (GBO) that attracts and provides focused support for local and emerging brands. Our planned spending on the GBO includes marketing events to improve the awareness of us among these brands, business development spending and recruitment of additional talents with knowledge of emerging brand categories. As we deepen our cooperation with the new brand partners, we also seek to assist them with product selection, design and manufacturing, which requires upfront spending in product testing, manufacturing facility and personnel hiring.
- approximately 25% (approximately HK\$996.1 million, assuming the Over-allotment Option is not exercised) for enhancing our digital marketing and fulfillment capabilities.

We aim to further upgrade our OMS and WMS, improve warehousing automation and expand our warehouse network to increase the number of key hubs and gross floor area, either through a self-owned model or partnerships. In particular, we plan to build up warehouses of approximately 100,000 square meters and accompanying automation facilities on the 60 acres of land that we own. We also plan to increase our investment in the warehouse network in East China to add mezzanine racking of no less than 30,000 square meters and automatic conveyor belt of no less than five kilometers, and increase our investment on warehousing automation and scale expansion in other regions of China. We also plan to expand our warehousing management team and increase the number of our own warehousing staff.

We also seek to further enhance our digital marketing capabilities by implementing new digital marketing initiatives on emerging sales channels and improving the effectiveness and efficiency of our digital marketing solutions through continuous investment in big data analytics capabilities. In addition, we plan to conduct more co-branding marketing campaigns on omni-channels by connecting several of our brand partners.

USE OF PROCEEDS

- approximately 30% (approximately HK\$1,195.4 million, assuming the Over-allotment Option is not exercised) for potential strategic alliances. We plan to selectively pursue strategic alliance opportunities in the following areas:
 - deepen our collaboration with new brands, such as new luxury and fast moving consumer goods brands, by providing customized service offerings, logistics and customer services;
 - expand our geographic reach and help our brand partners establish e-commerce operations in other countries and regions, such as Southeast Asia, by helping brand partners set up infrastructure in new geographic regions and conduct their e-commerce operations in the new market through collaboration with e-commerce platforms and sales channels in such regions; and
 - expand our channel coverage to collaborate with more emerging e-commerce platforms. For instance, certain live streaming channels have started to build up their own e-commerce platforms. In order to operate our brand partners' e-commerce business on these new platforms, we need to develop our new platform know-how and improve our system capability with such platforms.
- approximately 10% (approximately HK\$398.5 million, assuming the Over-allotment Option is not exercised) for investment in technology and innovation. We seek to further enhance our core competencies in technology and innovation. We aim to invest in improving the functionality and compatibility of our back-end technology infrastructure as well as our data analytics and AI capabilities. We will also continue to devote resources to innovation and upgrade existing and develop new technology systems and tools at the front end and middle end that will create more value for our brand partners, such as a digital operating platform that integrates our internal systems and improves compatibility with external systems, automated account reconciliation systems, unified data service systems and automated brand operating data analytics tools.
- approximately 15% (approximately HK\$597.7 million, assuming the Over-allotment Option is not exercised) for potential merger and acquisition opportunities. We plan to selectively explore merger and acquisition opportunities to strengthen our competitiveness, such as the potential acquisition of other e-commerce solutions providers with the following capabilities:
 - operational excellence in e-commerce or social media channels, such as JD.com, Douyin, Kuaishou and WeChat, in order to strengthen and supplement our ability to serve brand partners on such channels;
 - specialized technological capabilities in automated operations and data analytics for brand categories that we focus on, such as luxury and fast moving consumer goods brands;
 - expertise in digital marketing and emerging service models, such as live streaming, especially those with early mover advantage and competitiveness; and
 - ISV (Independent Software Vendor) Tmall service partners with big data support and strong operational capabilities.