
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

Assuming an Offer Price of HK\$110.00 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$105.00 and HK\$115.00 per Offer Share), we estimate that we will receive net proceeds of approximately HK\$39,477.4 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering. We intend to use the net proceeds from the Global Offering for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 35%, or HK\$13,817.1 million, will be used to enhance and grow our ecosystem, including but not limited to:
 - continue enriching and improving the quality and diversity of our content offerings on our platform in order to attract and retain a broad user base, including through (i) encouraging users to create content on our platform, and (ii) promoting new content categories that we have identified as addressing unmet user interests on our platform;
 - continue improving the experience of our users and business partners through improved functionalities and services, including (i) improving our functions and features to develop new interactive features and support our users in developing a following, (ii) expanding our suite of online marketing solutions, formats and options for advertisers to effectively reach their target audience and encouraging the improvement of the quality of ads, and (iii) growing our e-commerce marketplace and providing better tools to help merchants manage their businesses and to enhance users’ product discovery and purchasing experience;
 - further expand user reach and enhance user engagement through online and offline marketing and promotional activities, especially through targeted and precise marketing and promotional campaigns driven by insights into user preferences, such as app store advertisements and collaborations with targeted brands; and
 - continue developing and expanding our product and service offerings to fulfill evolving user needs that naturally arise from our ecosystem, including online games, online knowledge sharing and other products and services;

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- approximately 30%, or HK\$11,843.2 million, will be used to strengthen our research and development and technological capabilities, including to:
 - invest in technologies to strengthen our technological capabilities in areas such as AI and big data, including to (i) continue developing deep reinforcement learning algorithms and MMU technology to further enhance our personalized recommendation engine, which enables us to amass deeper insights into user preferences and improve the quality of our products and services, (ii) expanding our big data computational engine to process the increasing amount of data generated on our platform, (iii) investing in our machine learning, computer vision and computer graphics capabilities to provide new and attractive content creation tools and further encourage content creation and interaction on our platform, and (iv) upgrading video compression and live streaming technologies to improve user experience by ensuring higher video quality, lower latency, faster upload speed and transmission stability under various network conditions;
 - continuously retain and incentivize our research and development talents, attract and cultivate top-notch experts, scientists, researchers and other talents in relevant fields such as AI and data analytics in order to support our research and development initiatives, including, but not limited to, (i) the development of superior video compression technologies and their large-scale implementation, (ii) the improvement of our streaming technologies to further enhance performance on our apps, and (iii) further refining our technology-driven features and functions on our apps such as AR, filters and other Special Effects; and
 - continuously upgrade and scale our IT infrastructure, including data centers and cloud computing bandwidth, to support our growing ecosystem as well as product and service offerings;

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- approximately 25%, or HK\$9,869.4 million, will be used for selective acquisitions of or investment in products, services and businesses, particularly in areas such as content, social entertainment and software, that are complementary to our business and are in line with our philosophy and growth strategies, in particular to strengthen our technological position, enrich our ecosystem, attract new users to our platform and broaden our product and service offerings. We will seek out potential businesses and assets that provide synergies with our current business. In particular, we seek to make investments in products and services that address the user needs which arise from the interactions among our ecosystem participants. The Company employs internal approval procedures and governance policies to review and evaluate potential investment or acquisition opportunities in terms of strategic value, assets or businesses, potential synergies, financial return, investor rights and risk, among other criteria. We have no intention to use any portion of the net proceeds to settle the payments for the acquisitions referred to in the section headed “Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in respect of Companies and Business to be Acquired after the Track Record Period”. As of the Latest Practicable Date, we have not identified any other target of potential acquisition; and
- approximately 10%, or HK\$3,947.7 million, will be used for working capital and general corporate purposes.

To the extent that our actual net proceeds from the Global Offering is higher or lower than our estimate above, we will increase or decrease our allocation of the net proceeds for the purposes set out above on a pro rata basis.

After deducting the underwriting fees, commissions and estimated expenses payable by us in relation to the Global Offering, we estimate that we will receive net proceeds of approximately HK\$41,276.0 million from the Global Offering, assuming the Offer Price is determined to be HK\$115.00 per Offer Share, being the high-end of the indicative Offer Price range stated in this prospectus, approximately HK\$37,678.9 million, assuming the Offer Price is determined to be HK\$105.00 per Offer Share, being the low-end of the indicative Offer Price range stated in this prospectus, and approximately HK\$39,477.4 million, assuming the Offer Price is determined to be HK\$110.00 per Offer Share, being the mid-end of indicative Offer Price range stated in this prospectus.

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Assuming the Over-allotment Option was exercised in full, after deducting the underwriting commission and estimated related expenses payable by our Company, we estimate that the total net proceeds that we would receive would be (i) HK\$47,022.8 million (assuming an Offer Price of HK\$115.00 per Offer Share, being the high-end of the indicative Offer Price range stated in this prospectus), (ii) HK\$44,974.4 million (assuming an Offer Price of HK\$110.00 per Offer Share, being the mid-end of the indicative Offer Price range stated in this prospectus) and (iii) HK\$42,926.0 million (assuming an Offer Price of HK\$105.00 per Offer Share, being the low-end of the indicative Offer Price range stated in this prospectus); we also estimate the net proceeds that the Option Grantors would receive from the sale of Option Shares pursuant to the Global Offering would be (i) HK\$458.2 million (assuming an Offer Price of HK\$115.00 per Offer Share, being the high-end of the indicative Offer Price range stated in this prospectus), (ii) HK\$438.3 million (assuming an Offer Price of HK\$110.00 per Offer Share, being the mid-end of the indicative Offer Price range stated in this prospectus) and (iii) HK\$418.4 million (assuming an Offer Price of HK\$105.00 per Offer Share, being the low-end of the indicative Offer Price range stated in this prospectus). We will not receive net proceeds from the sale of Option Shares by the Option Grantors pursuant to the Over-allotment Option.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we will hold such funds in short-term interest-bearing accounts at authorized licensed banks.

We will issue announcements, where required, if there is any material change in the use of proceeds mentioned above.