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## USE OF PROCEEDS

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### FUTURE PLANS

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

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Assuming an Offer Price of HK\$66.69 per Share (being the mid-point of the Offer Price Range of between HK\$62.80 and HK\$70.58 per Share), we estimate that we will receive net proceeds of approximately HK\$24,994 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 40% of the net proceeds, or approximately HK\$9,997 million, is expected to be used for business expansion in the next 36 to 60 months, including:
  - further developing our retail pharmacy business and online healthcare services, including (i) continuing to strengthen our retail pharmacy business by procuring more drug SKUs and introducing more novel drugs from a larger base of quality suppliers for our direct sales business; (ii) increasing the number of drug warehouses that we utilize through collaboration with JD Group, which will enhance our supply chain capabilities; (iii) cooperating with more offline pharmacies to enrich the product categories and expand the urgent delivery services of our omnichannel initiative to more cities in China with enhanced efficiency and coverage; (iv) continuing to invest in the development of our healthcare services network and the expansion of our healthcare service offerings to satisfy all-round demand from users with serious, acute and/or chronic diseases, by recruiting more in-house doctors and cooperating with more external doctors and providing them with attractive compensation packages and training and collaboration opportunities, collaborating with more top industry experts to build specialist medical centers and expanding our consumer healthcare services to more categories; and (v) investing in new initiatives such as developing and purchasing more advanced technology infrastructures to help digitalize the transaction process between upstream pharmaceutical companies and healthcare product suppliers and distributors with downstream pharmacies;
  - enhancing user growth and engagement, including (i) strengthening our supply chain capabilities through expanding our supply chain human resources and investments in relevant technologies for logistics to achieve economies of scale and operating efficiency and enable us to offer more diversified delivery options and competitive pricing, improving user experience; (ii) continuing to improve user experience of our online healthcare services by expanding the breadth and depth of our service offerings, such as expanding the types and numbers of offerings in dental services and aesthetic medicines of our consumer healthcare services; and (iii) investing in the technology to improve the capability of our mobile apps and the development of data-driven and personalized services based on insights into user preferences, backed by our data analytics capabilities and the use of AI in analyzing user behaviors, for example, to recommend related or similar non-drug healthcare products based on users’ search and purchase history;

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- consistently promoting brand awareness through increasing our online and offline marketing and promotional activities, such as TV branding, news feed ads, advertisements through major search engines and web portals, and seasonal and holiday promotional campaigns; and
- approximately 30% of the net proceeds, or approximately HK\$7,498 million, is expected to be used for research and development in the next 24 to 36 months, including (i) further developing our digital infrastructure and new initiatives with continuous investments in our healthcare services platforms, AI-assisted prescription verification, and big data and cloud computing technologies, to consistently optimize our service process, improve user experience, boost operation efficiency and expand the scope of Internet and technology related solutions offered to participants in the healthcare value chain; (ii) continuously attracting, through offering competitive compensation packages, and cultivating world-class software engineers, data scientists, artificial intelligence experts and other research and development talents, and expanding our portfolio of intelligent assets; and (iii) investing in smart healthcare solutions for offline hospitals and other medical institutions, such as software, IOT systems and integrated platform solutions designed for various scenarios based on their specific needs to further improve patient monitoring and management, enhance daily operation efficiency of hospitals and position them for greater integration with online service offerings;
- approximately 20% of the net proceeds, or approximately HK\$4,999 million, is expected to be used for our potential investments and acquisitions or strategic alliances. We are interested in healthcare companies with advanced technologies and services, companies with complementary business lines and companies that have synergies with our current business. We have no intention to use any portion of the net proceeds to settle the payments for the minority investments or the acquisitions referred to in the section headed “Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.” As of the Latest Practicable Date, we have not identified any other target of potential acquisition; and
- approximately 10% of the net proceeds, or approximately HK\$2,499 million, is expected to be used for working capital and general corporate purposes.

In the event that the Offer Price is set at the Maximum Offer Price or the Minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$1,463 million, respectively. If we make an Upward or Downward Offer Price Adjustment to set the final Offer Price to be above or below the mid-point of the Offer Price Range, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK\$3,982 million (assuming an Offer Price of HK\$70.58 per Share, being the Maximum Offer Price), (ii) HK\$3,763 million (assuming an Offer Price of HK\$66.69 per Share, being the mid-point of the Offer Price Range) and (iii) HK\$3,543 million (assuming an Offer Price of HK\$62.80 per Share, being the Minimum Offer Price).

To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we may adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

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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 may hold such funds in short-term deposits so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.