
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

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

USE OF PROCEEDS

Assuming the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$21.00 per Share (being the mid-point of the Offer Price), we estimate that we will receive net proceeds of approximately HK\$253.6 million from the Global Offering. We intend to use the net proceeds from the Global Offering for the following purposes:

1. Approximately 45% of the net proceeds, or approximately HK\$114.1 million, is expected to be used for further developing our pharmaceutical circulation business, including:
 - 20%, or approximately HK\$50.7 million, for leveraging market insights accumulated through our platform to engage more qualified upstream participants and diversify our SKU offerings, making our platform a more attractive go-to platform for our buyers. Specifically, we plan to (i) engage more sellers who sell and promote the new categories of products, such as medical devices and Chinese medicine, through increased resources for sales and marketing forces and more marketing campaigns to attract sellers to join our platform, in order to further diversify and optimise the offerings on our Online Marketplace; (ii) establish cooperative partnerships with more suppliers, especially the pharmaceutical companies, to expand our sourcing channels and options, and guarantee the diversity and the adequacy of high-quality SKUs, connect our suppliers with our wide network of buyers and provide them with digital marketing solutions; and (iii) invest in marketing and promotion of products sold through our Targeted Product Launch Business;
 - 20%, or approximately HK\$50.7 million, for improving our BD capabilities and efficiencies with our dedicated digital tools. Specifically, we plan to (i) advance our centralised and digitalised BD management system to expand our information database and improve our feedback system in terms of cycle time and quality of recommendations; (ii) invest into the academic and on-the-job training of BD team to equip BD personnel with latest professional knowledge in pharmacology and industry best-practise in order to upgrade the overall quality of our BD teams; (iii) attract and retain, through providing competitive compensation with effective incentive structures, seasoned BD executives to manage, lead and coach regional BD teams; and (iv) strategically expand the BD team to align with our expansion plan, including our strategy to increase our coverage of large-chain pharmacies; and
 - 5%, or approximately HK\$12.7 million, for strengthening our supply chain capability to make it smarter, more digitalised and more efficient. Specifically, we plan to (i) enhance the automation of facilities and machinery to improve the efficiency of our self-operated supply chain. For example, we plan to procure and upgrade our automated sorting equipment to help us sort through a vast range of SKUs more quickly and effectively; (ii) selectively open more self-operated warehouses in areas currently not covered by our warehousing network to expand our sales reach into new

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markets, or in areas currently covered by our warehousing network in order to further penetrate existing markets.

2. Approximately 25% of the net proceeds, or approximately HK\$63.4 million, is expected to be used for further developing our other businesses, including:
 - 15%, or approximately HK\$38.0 million, expanding the geographical coverage of our ClouDiagnos services to cover more primary healthcare institutions, especially in the Southern, Eastern and Central regions of China. We plan to procure more equipment to be provided to primary healthcare institutions to improve their diagnostic quality, and invest into optimising an integrated end-to-end process of diagnostic testing services and improving efficiency and service quality of ClouDiagnos;
 - 10%, or approximately HK\$25.4 million, promoting market awareness and popularity of our wePharmacy, including educating downstream pharmacies on the benefits of wePharmacy and launching marketing campaigns. We plan to further penetrate our extensive network of pharmacies and help them extend operation hours as well as enhance operating efficiencies.
3. Approximately 22% of the net proceeds, or approximately HK\$55.8 million, is expected to be used for research and development, primarily by recruiting and retaining high quality software engineers, data scientists, AI experts and other R&D talents with competitive remunerations. The R&D talents will dedicate to elevating our technological capability and digitalising the experience of our ecosystem participants, from the perspective of:
 - upgrading our platform's overall technology and infrastructure as well as data analytics capabilities and improving our smart recommendations for the sellers and buyers on our Online Marketplace;
 - advancing our smart supply chain capabilities with digital solutions. Specifically, we plan to improve the machine intelligence of our warehouse management systems, and optimise algorithms, in order to optimise the costs of internal supply chain processes, increase the efficiency of storage, quality control and fulfilment, and improve the overall experience of our buyers;
 - enhancing the functionality of our SaaS solutions, creating more user-friendly and effective functions to satisfy the evolving needs of our ecosystem participants, increasing the monetisation potential of our overall SaaS offering;
 - improving the design, functions and connectivity of our wePharmacy booths, by continuously investing into algorithm optimisation and virtual recognition techniques, to help increase the store management efficiency of downstream pharmacies and improve their service quality towards end customers;
 - optimising the service quality and capabilities of ClouDiagnos, by continuously improving the traceability of testing results, expanding the disease categories coverage and enhancing the analytical quality of our ClouDiagnos report, to help medical professionals at primary healthcare institutions make informed recommendations and improve their diagnostic quality.
4. Approximately 8% of the net proceeds, or approximately HK\$20.3 million, is expected to be used for working capital and general corporate purposes.

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The following table sets forth the implementation plans, expected timeframe and the amount and percentage of net proceeds in respect of our developing of pharmaceutical circulation business, developing of other businesses and research and development.

<u>A</u> Further developing our pharmaceutical circulation business	Amount and percentage of net proceeds (approximately HK\$114.1 million)
Implementation plan	Implementation plan
(i) We will intensify our marketing efforts such as marketing and promotion campaigns and coupons offering to grow our brand equity and raise our brand awareness among sellers and buyers, thus attracting more of them to join our platform and expand our network. Our marketing events and discounts/coupons would be designed to encourage repeat purchase, build strong user loyalty, and develop incremental revenue opportunities. We will also invest in digital promotion campaigns for products sold through our Targeted Product Launch Business. In addition, we will spend efforts on launching and promoting the in-app links, such as <i>Medical Devices</i> and <i>Chinese Medicine</i> , to further diversify the SKUs offered on our platform. For Chinese medicines, we plan to actively expand the network with upstream sellers by leveraging our deep-dive experience and well-established brand image, with the goal of more than doubling the number of active sellers of Chinese medicines on our Online Marketplace to achieve 400 in the next three years. For medical devices, they are currently mainly distributed by third-party merchants on our Online Marketplace. We plan to spend more efforts in the future on developing medical device-related SKUs under our Self-operation Business, in particular, expanding this category into Targeted Product Launch Business. In addition, we also plan to further diversify the SKUs offered under the <i>Medical Devices</i> , including but not limited to dental devices, aesthetic devices, and physical therapy equipment. We will take relevant measures to avoid potential reputational and noncompliance risks when expanding our product categories.	Before December 2025 20% of net proceeds, or approximately HK\$50.7 million
(ii) We will additionally hire approximately 150 to 200 in-house business development staff, with experience in sales function and/or in the pharmaceutical industry to be dedicated to the expansion of our buyer base. We are dedicated to achieve a nationwide buyer network with consistent service standard across China. We will continue to adopt a performance-based rewarding mechanism including commission,	Before December 2025 20% of net proceeds, or approximately HK\$50.7 million

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		Amount and percentage of net proceeds (approximately HK\$114.1 million)
<p>A <u>Further developing our pharmaceutical circulation business</u></p> <p>bonuses and annual increment plan to attract and retain more high-performance sales staff, who are experienced in originating new accounts, coaching and leading regional BD teams. As some of our newly hired business development staff will focus on developing large-chained pharmacies clients, we expect junior BD staff to have sales experience in pharmaceutical, internet or consumer and retail industries and senior BD staff to own bachelor degree and sales experience at mature internet companies with O2O (online to offline) local services business. We also plan to establish dedicated and professional business development staff to onboard more primary healthcare institutions in lower-tiered cities. We will also provide them with constant trainings to improve their sales skills and pharmaceutical knowledge, so they can better address the needs of large-chained pharmacies and primary healthcare institutions with the most up-to-date knowledge. We also will constantly upgrade our in-house digital BD management tools for our BD team to effectuate their sales efforts.</p> <p>(iii) We will open six more new smart warehouses, with an average of two warehouses in a year since 2023 and expected initial investment of RMB15 million for each warehouse, in Eastern, Southern and Northern regions of China, where we already have brand awareness and strong business growth momentum. We also plan to upgrade our existing warehouse facilities including process automation and equipment renewal. This can further optimise our supply chain network and capabilities to expand our services and improve our service quality for buyers.</p>	<p>Before December 2025</p> <p>5% of net proceeds, or approximately HK\$12.7 million</p>	

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B	Further developing our other businesses	Amount and percentage of net proceeds (approximately HK\$63.4 million)
	Implementation plan	Implementation plan
(i)	We will procure testing equipment such as point-of-care testing equipment for blood tests and selectively place them at the primary healthcare institutions we are serving and working with, across China. We will hire approximately 40-60 dedicated business development staff and testing equipment technicians to expand and operate our ClouDiagnos business. We will also invest into marketing campaigns and workshops to promote our ClouDiagnos services and expand the geographical coverage and increase the awareness of such services.	Before December 2025 15% of net proceeds, or approximately HK\$38.0 million
(ii)	We will invest into marketing campaigns and educational seminars and workshops to promote market awareness and the use of unmanned pharmaceutical booths for our wePharmacy business. We will also hire approximately 20-30 dedicated business development staff and booth technicians to promote and operate our wePharmacy business.	Before December 2025 10% of net proceeds, or approximately HK\$25.4 million
C	Research and development	Amount and percentage of net proceeds (approximately HK\$55.8 million)
	Implementation plan	Implementation plan
(i)	We will hire approximately 200 to 250 in-house research and development personnel, including software developers, software engineers, data scientists and AI experts dedicated to improve our platform's overall technological capabilities, upgrade the e-Commerce platform, intelligentise supply chain capabilities including design and functions of warehouse logistics, payment and security, optimise SaaS functionalities and digitalization of all our other businesses. We plan to offer competitive compensation packages to attract and retain top-notch research and development personnel.	Before December 2025 22% of net proceeds, or approximately HK\$55.8 million

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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\$30.2 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 net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK\$335.9 million (assuming an Offer Price of HK\$23.00 per Share, being the maximum Offer Price), (ii) HK\$301.1 million (assuming an Offer Price of HK\$21.00 per Share, being the mid-point of the Offer Price range) and (iii) HK\$266.4 million (assuming an Offer Price of HK\$19.00 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.

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, the net proceeds which are not immediately applied will only be deposited into short-term demand deposits with licensed banks or authorised financial institutions primarily located in Hong Kong (as defined under the Securities and Futures Ordinance), as well as other licensed banks or authorised financial institutions in Guangdong province where we have accounts with (as defined under applicable laws in the PRC).