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Hong Kong Technology Venture Company Limited
香港科技探索有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 1137)

(1) FY2024 Business Outlook and Targets
(2) Hong Kong eCommerce Business Unaudited Operational Information for December 2023
(3) Hong Kong eCommerce Business Unaudited FY2023 Business Target Achievement

The board of directors (“**Board**”) of Hong Kong Technology Venture Company Limited (“**Company**” and together with its subsidiaries, “**Group**”) is pleased to announce the Group’s business outlook and targets for FY2024, unaudited operational information for December 2023 and certain business target achievements for FY2023 of the Group’s Hong Kong eCommerce Business.

(1) The Group’s Business Outlook and Targets for FY2024

During this period of significant economic and geopolitical uncertainty in the global market, coupled with a slower-than-expected economic recovery in Hong Kong, our management continues to hold the perspective that forecasting our business performance for the next two to three years is challenging and uncertain.

The retail sector, in particular, relies heavily on consumer sentiment, which has been evolving towards a more rational outlook. This shift can be attributed to the substantial impact on consumers’ income and wealth levels during and post COVID-19 outbreak and the interest rate hike environment.

Despite the challenges posed by the slow rebound in the market and the shifting of purchasing power to beyond Hong Kong, we are dedicated to making every effort to work towards our mid-term target of generating Gross Merchandise Value (“**GMV**”) on Order Intakeⁱ ranging from HK\$12 billion to HK\$15 billion by 2026. This target represents approximately 3.2% - 4.0% Hong Kong’s Total Retail Sales Value of approximately HK\$372.0 billionⁱⁱ.

We understand that achieving this goal will require tremendous, sustained effort and strategic investments, and this may pose short term losses for long term sustainable growth. While we cannot guarantee the outcome, we will work diligently and make strategic decisions hoping to make significant progress towards our mid-term target.

Considering the persistent challenges in the retail landscape and the need for merchants' adaptation and learning in our new direction, the Board has established the following key performance targets for HKTVmall business and Wet Market Express business:

2024 HKTVmall Business Target

- a. **Annual GMV on Order Intake at approximately HK\$8.7 billion to HK\$9.1 billion**, representing a year-on-year growth of 5.0% to 9.8% subject to the recovery pace of the Hong Kong retail sector in 2024;
- b. **Multimedia advertising income of approximately HK\$143.0 million**. With an early bird offer launched since September 2023, advertising fee prepayment and commitments of approximately HK\$133.0 million had been obtained by end of December 2023.
- c. **Blended gross margin and commission rate (before including multimedia advertising income) at approximately 22.0% - 22.5%**; and
- d. **Adjusted EBITDA margin at approximately 2.6% – 3.0% (representing approximately HK\$226.0 million to HK\$273.0 million)**, with dynamic resources allocation between fulfilment costs, marketing, promotion and O2O shop marketing expenses, and overhead absorption of supporting functions for Hong Kong eCommerce Business operations.

2024 Wet Market Express Business Target

- a. Annual GMV on Order Intake at approximately HK\$0.20 billion to HK\$0.26 billion, representing a year-on-year growth by approximately 98.6% to 157.3%; and
- b. Adjusted EBITDA loss of approximately HK\$43.0 million to HK\$49.0 million.

New Venture Projects

During 2023, the Group has launched certain new venture projects mainly including the pilot run of the Fully Automated Retail Store and Systems in Manchester, the United Kingdom, Third-Party Logistics Service, ThePlace - all-in-one eStore solution, and Everuts – the redefined social eCommerce and global connection.

The Group shall continue to invest and refine the direction of all new venture projects over time and estimates to incur an Adjusted EBITDA loss of approximately HK\$125.0 million in 2024 on collective basis.

(2) The unaudited operational information of the Group's eCommerce business including online shopping platform and offline business of HKTVmall and Wet Market Express (excluding the sales of HKTVmall cash vouchers and New Ventures) for December 2023 is summarised as below:

	In the month of			Change in Percentage	
	December 2023	November 2023	December 2022	December 2023 vs November 2023	December 2023 vs December 2022
Average daily order number (rounded to the nearest hundred)	51,500	52,800	49,300	(2.5%)	4.5%
Average order value (rounded to the nearest dollar)	HK\$471	HK\$475	HK\$467	(0.8%)	0.9%
Average Daily GMV on Order Intake (rounded to the nearest hundred thousand)	HK\$24.3 million	HK\$25.1 million	HK\$23.0 million	(3.2%)	5.7%
Monthly GMV on Order Intake (rounded to the nearest million)	HK\$753 million	HK\$752 million	HK\$713 million	0.1%	5.6%

	In the month of		
	December 2023	November 2023	December 2022
Number of unique customers who made purchases at HKTVmall (rounded to the nearest thousand)	644,000	632,000	569,000
	In the month of		
	December 2023	November 2023	December 2022
Monthly Active App Users ⁱⁱⁱ (rounded to the nearest thousand)	1,677,000	1,774,000	1,518,000

(3) Hong Kong eCommerce Business Target Achievement for the year ended 31 December 2023 (“FY2023”) (unaudited)

	Achievement for 2023	Updated Target for 2023
	Annual GMV on Order Intake ⁱ (rounded to the nearest ten million)	HK\$8.39 billion (including HK\$8.29 billion for HKTVmall and HK\$0.1 billion for Wet Market Express)
	2023	2022
Number of unique customers who made purchases at HKTVmall and Wet Market Express (rounded to the nearest thousand)	1,513,000	1,412,000

The Board wishes to remind shareholders and potential investors of the securities of the Company that the above information is unaudited and is based on preliminary internal information of the Group, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or half-yearly basis due to various uncertainties during the process of collating such sales information.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such information and are advised to exercise caution in dealing in the Company’s securities.

By Order of the Board
Hong Kong Technology Venture Company Limited
Cheung Chi Kin, Paul
Chairman

Hong Kong, 11 January 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Cheung Chi Kin, Paul (Chairman)

Mr. Wong Wai Kay, Ricky (Vice Chairman and Group Chief Executive Officer)

Ms. Wong Nga Lai, Alice (Group Chief Financial Officer and Company Secretary)

Mr. Lau Chi Kong (Chief Executive Officer (International Business))

Ms. Zhou Huijing (Chief Executive Officer (Hong Kong))

Independent Non-executive Directors:

Mr. Lee Hon Ying, John

Mr. Peh Jefferson Tun Lu

Mr. Mak Wing Sum, Alvin

Mr. Ann Yu Chiu Andy

Notes:

- i. Gross Merchandise Value (“GMV”) on Order Intake represents the total gross sales dollar value for merchandise sold through a particular marketplace over a certain timeframe, before deduction of any discount offered by the marketplace, rebate used, cancellation and returns of merchandise sold.
- ii. Based on the All Retail Outlet - Value of Retail Sales excluding Fuels, Motor vehicles and parts, and Optical Shops for the twelve months ended 30 November 2023 as extracted from “Table 620-67002: Value and Value Index of Retail Sales by Type of Retail Outlet” of Report on Monthly Survey of Retail Sales, November 2023 published by the Census and Statistics Department, The Government of Hong Kong Special Administrative Region on 4 January 2024 (https://www.censtatd.gov.hk/en/web_table.html?id=620-67002).
- iii. Monthly active App user data is extracted from Google Analytics and rounded to the nearest thousand, the computation method and basis of which have not been verified. In general, the data for App users could be overlapping if the user reinstalls HKTVMall Main App or Lite App on the same device or amends the advertising ID of its device, or uses multiple devices, or uses both HKTVMall Main App and Lite App in the same month. The information for the same period can be changed at different points of time when capturing the data as Google Analytics performs the analysis on a sampling basis. According to Google Analytics, “active user” is defined as the unique user who initiated sessions on the App within the selected date range.