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Hong Kong Television Network Limited
香港電視網絡有限公司

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

Business Update and
Unaudited Operational Information for February 2020

The board of directors (the “**Board**”) of Hong Kong Television Network Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) is pleased to announce certain business update and the unaudited operational information for February 2020 of the Group.

The unaudited operational information of its online shopping platform(s) and offline business for February 2020 of the Group is summarized as below:

	In the month of			Change in Percentage	
	February 2020	January 2020	February 2019	February 2020 vs January 2020	February 2020 vs February 2019
Average daily order number (rounded to the nearest hundred)	32,600	22,400	12,300	45.5%	165.0%
Average order value (rounded to the nearest dollar)	HK\$510	HK\$488	HK\$523	4.5%	(2.5%)
Average Daily Gross Merchandise Value (“ GMV ”) on Order Intake ⁱ (rounded to the nearest hundred thousand)	HK\$16.6 million	HK\$10.9 million	HK\$6.4 million	52.3%	159.4%
Monthly GMV on Order Intake ⁱ (rounded to the nearest million)	HK\$482 million	HK\$338 million	HK\$179 million	42.6%	169.3%

	In the month of		
	February 2020 ⁱⁱⁱ	January 2020 ⁱⁱⁱ	February 2019
Number of unique devices landing on product details page or performing search at HKTVMall and/or HoKoBuy ⁱⁱ (rounded to the nearest thousand)	2,750,000	2,033,000	1,382,000

	In the month of		
	February 2020^{IV}	January 2020^{IV}	February 2019
Number of unique customers who made purchases at HKTVmall and/or HoKoBuy (rounded to the nearest thousand)	373,000	292,000	191,000

The growth momentum for the Group’s business continued in February 2020 as a result of the increased “home” time and less desire of the Hong Kong people to go to crowded areas under the current novel coronavirus outbreak. The outbreak is an unprecedented challenge which is still difficult for everyone to estimate how long it will remain, but the Group observes that the Hong Kong consumers now have a higher tendency and frequency to shop for their needs online, such as at HKTVmall, than before, in particular on those anti-virus or protection products, and non-discretionary goods. The Group expects that after experiencing online shopping for several months, some of our customers may change their shopping behavior from offline to online.

The unexpected surge in online traffic and business volume in the past two months has brought business growth to the Group but also caused certain unpleasant customer online and fulfilment experiences at HKTVmall. The Group is working continuously to overcome these challenges. The improvement measures mentioned in the Company’s last business update dated 10 February 2020 are being implemented over time as below:

1. The “purchase by invitation” platform will be launched in March 2020 while the “categorization of customer base” is a continuous refining process for better customer experience;
2. Our warehouse pick pack operation has increased to two (2) work shifts and will be adjusted based on the development on business volume;
3. We now partner with Baleno, CATALO, Foodwise, GIORDANO and Hung Fook Tong, together with our existing O2O shops and mobile pick up trucks, reaching a total of one hundred (100) pick up points; and
4. We have engaged certain reputable third party logistics companies and individual subcontractors to increase the last mile fulfilment flexibility.

The Board will continue to assess the sustainability of the business growth, closely monitor the business development and resources allocation to cope with the change in business volume and activities.

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 Television Network Limited
Cheung Chi Kin, Paul
Chairman

Hong Kong, 3 March 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Chi Kin, Paul (Chairman), Mr. Wong Wai Kay, Ricky (Vice Chairman and Chief Executive Officer), Ms. Wong Nga Lai, Alice (Chief Financial Officer), Mr. Lau Chi Kong (Chief Operating Officer) and Ms. Zhou Huijing (Managing Director of Shopping and eCommerce) and the independent non-executive Directors are Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin.

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- 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. Data on unique device is extracted from our internal system and rounded to the nearest thousand. The data is collected based on the tracking cookies for web browser and the device advertising ID for app, which could be overlapping if (a) same device is used to browse the online shopping web-page through different browsers; (b) same device is used to open online shopping app and to browse online shopping web-page; and (c) the user amends the advertising ID of its device. These data are unaudited and are not indicative of the Company's business performance, financial condition or growth prospect. Readers should not place reliance on these data.
 - iii. From 1st January 2020 onwards, this figure only represents the number of unique devices landing on product details page or performing search at HKTVmall as the user traffic and transaction of HoKoBuy has been redirected to HKTVmall.
 - iv. From 1st January 2020 onwards, this figure only represents the number of unique customers who made purchases at HKTVmall as the user traffic and transaction of HoKoBuy has been redirected to HKTVmall.