



**Hong Kong Technology Venture
Company Limited**
(Stock code: 1137)

Interim Results
for the year ended 30 June 2024

23 Aug 2024

A decorative graphic on the left side of the slide features a vertical stack of five interlocking puzzle pieces. The top row consists of three pieces: a light yellow one on the left, a medium green one in the middle, and a dark green one on the right. The bottom row consists of two pieces: a light yellow one on top and a dark green one on the bottom. A thin green line extends vertically from the top of the dark green piece in the top row, and another thin green line extends vertically from the bottom of the dark green piece in the bottom row. A horizontal green line extends from the bottom of the dark green piece in the bottom row across the width of the slide.

CONTENTS

01

Group Financial Review

02

Business Overview



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Updated Business Segment Composition under HKTV Group

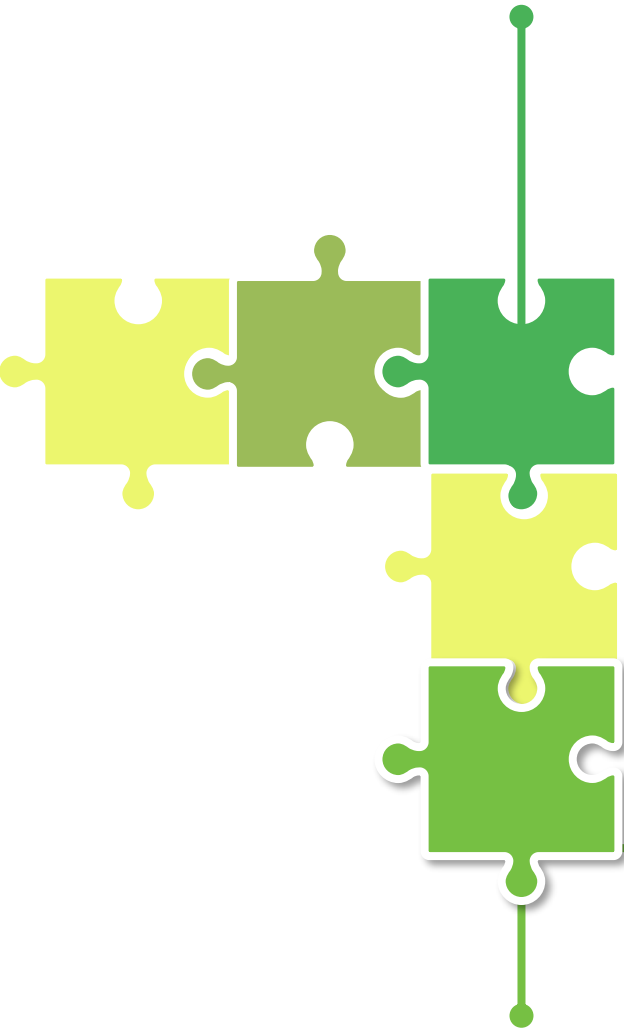
From 2023

Management has updated the business segment composition in 2023 annual results to better reflect the segment performance according to the service nature, allocation of resources and performance assessment of the lines of business. In this regard, certain comparative figures for 1H2023 are updated accordingly.

The updated business segment composition is as follows:

- 1. Addition of Third-Party Logistics (“3PL”) service to Ecommerce Segment** – as its economic characteristics, nature of service and operating processes are similar to the HKTVmall’s “1P” fulfillment process, and its inclusion is considered as an expansion of fulfillment options to fulfill HKTVmall’s customer orders;
- 2. Addition of ThePlace** - its business model is an extension of the partnership options for retailers joining HKTVmall and form part of HKTVmall ecosystem;
- 3. Reallocation of Wet Market Express to New Venture projects** - as it is a distinct business model that requires separate resource allocation and performance evaluation.





Group Financial Review



Challenging but Sustainable 1H2024

- Challenging local retail operating environment cannot moderate our determination to move forward for long term sustainability, in 1H2024:
 - **Hong Kong Ecommerce business** continues to grow stably, generated an **Adjusted EBITDA of HK\$133.8 million**.
 - This positive results have **offset the start-up Adjusted EBITDA loss of HK\$84.5 million from New Ventures and Technology business**.
 - The Group achieved a positive **Adjusted Free Cash Flow at HK\$47.3 million**.

Adjusted free cash flow	1H 2024 HK\$mn	1H 2023 HK\$mn
Hong Kong Ecommerce business	133.8	132.7
Wet Market Express	(36.3)	(15.4)
Fully Automated Retail Store and System	(24.2)	(18.1)
Everuts	(13.6)	(7.8)
Life Science Projects	(6.8)	(0.4)
General Technology Development	(3.6)	(6.4)
Head office and corporate	(11.7)	(2.1)
Group Total Adjusted EBITDA (profit)	37.6	82.6
Investment returns received	19.3	18.9
Changes in working capital	53.3	(45.7)
Investment in CAPEX and R&D activities	(64.2)	(80.1)
Others	1.3	(2.3)
Adjusted Free Cash Flow	47.3	(26.6)

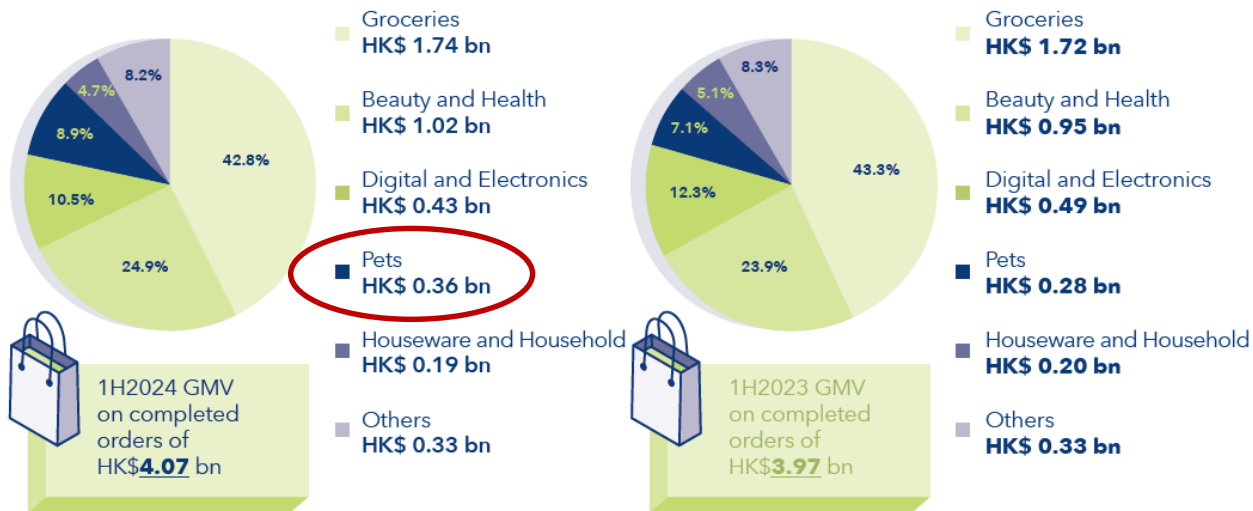


Hong Kong Ecommerce Business

Solid Traffic Driver from Solid Groceries Base

- ✓ Slight increment of 2.5% on GMV on completed orders in 1H2024 vs 1H2023
- ✓ Groceries contributed to 42.8% GMV on completed orders, remains its role as recurring traffic driver and entry point for new customer acquisition
- ✓ Pet products continued to rank as the Top 4th category, further increase to contribute 8.9% of GMV on completed orders representing **28.6%** y-on-y growth

Product categories distribution by GMV on Completed Orders





Consolidated Income Statement – Group

	1H2024 HK\$'M	1H2023 HK\$'M	Variance	
			HK\$'M	%
GMV on Order Intake	4,235.5	4,038.1	197.3	4.9%
GMV on Completed Orders	4,199.7	3,992.9	206.9	5.2%
Turnover	1,919.3	1,850.8	68.6	3.7%
Cost of inventories	(897.6)	(905.0)	7.4	-0.8%
Operating expenses	(1,066.0)	(935.9)	(130.1)	13.9%
Valuation losses	(8.6)	-	(8.6)	0.0%
Other income, net	36.5	41.9	(5.4)	-12.9%
Finance costs	(12.6)	(8.3)	(4.2)	50.8%
Profit before taxation	(28.9)	43.4	(72.3)	-166.6%
Income tax credit	1.4	5.3	(3.9)	-73.2%
(Loss) profit for the period	(27.5)	48.7	(76.2)	-156.4%
Profit margin (%)	-0.7%	1.2%	-1.9%	
EBITDA	24.7	87.8	(63.1)	-71.8%
EBITDA/ GMV on completed orders (in %)	0.6%	2.2%	-1.6%	
Adjusted EBITDA	37.6	82.6	(45.0)	-54.5%
Adjusted EBITDA/ GMV on completed orders (in %)	0.9%	2.1%	-1.2%	

Remark:

- Adjusted EBITDA means EBITDA adjusted by major non-cash items and excluded non-recurring items such as government subsidies.



Hong Kong Ecommerce Business

Adjusted EBITDA Performance

On cost basis without inter-segment charges

	1H2024 HK\$'M	1H2023 HK\$'M	Variance HK\$'M	in %
Adjusted EBITDA	108.9	113.5	(4.6)	-4.1%
Inter-segment royalties charges for use of Ecommerce Solution provided by Technology segment	63.0	62.4	0.6	0.9%
Technical and relevant support expenses not qualified for capitalization which was incurred for eCommerce business development	(38.1)	(43.2)	5.1	-11.8%
Ecommerce business adjusted EBITDA (at cost basis)	133.8	132.7	1.0	0.8%
Adjusted EBITDA margin as a % of GMV on completed orders	3.3%	3.3%		-0.1%
GMV on completed orders	4,068.9	3,966.9	102.0	2.6%

Stabilised Adjusted EBITDA on Hong Kong Ecommerce business due to the following key factors:

1. GMV on completed orders increased by 2.6% reaching HK\$4.07bn (1H2023: HK\$3.97 bn)
2. Improvement in Gross Profit Margin and Blended Commission Rate from 22.3% in 1H2023 to 22.9% in 1H2024;
3. Multimedia advertising income increased by 9.1% to HK\$65.4M (1H2023: HK\$59.9M);
4. Though Key operating expenses increased from 20.6% 1H2023 to 21.5% in 1H2024.

New Ventures and Technology Business

(after allocation of un-capitalized technical and supporting costs)



HK\$'mn	1H2024		1H2023	
	GMV on order intake // Service Income	Adjusted EBITDA Loss	GMV on order intake // Service Income	Adjusted EBITDA Loss
WetMarket	107.9	(36.3)	23.3	(15.4)
Fully Automated Retail Store and System (HK and UK)	0.3	(24.2)	-	(18.1)
Evertus	22.7	(13.6)	9.6	(7.8)
Life Science Projects	-	(6.8)	-	(0.4)
	<u>130.9</u>	<u>(80.9)</u>	<u>32.9</u>	<u>(41.6)</u>
Unallocated portion		(3.5)		(6.4)
New ventures and Technology Business Adjusted EBITDA Loss		<u>(84.5)</u>		<u>(48.0)</u>

1. **Wet Market Express** – aggressively expanded its business during the period achieving HK\$107.9M GMV on completed orders in 1H2024, represented almost 5x times growth in business vs 1H2023.
2. **Evertus** – impacted by the slow economic recovery and sustained outbound travel, Evertus' progress has been moderate compared to the 2024 business target. However, comparing to 1H2023, Evertus has shown significant improvement in 1H2024, achieving HK\$22.7M in GMV on order intake - representing a 136.5% increase comparing to 1H2023.

Group Gross Contribution Analysis



On Completed Orders and Adjusted Basis	1H2024	1H2023	Variance	
	HK\$'000	HK\$'000	HK\$'000	%
		(restated)		
Direct merchandise sales ("1P")				
GMV on completed orders ¹	1,196,088	1,183,304	12,784	1.1%
Cost of Inventories	(897,619)	(904,976)	7,358	-0.8%
Gross profit	298,469	278,328	20,141	7.2%
Gross margin %	25.0%	23.5%		
Income from concessionaire sales and other service income ("3P")				
GMV on completed orders	2,872,773	2,783,570	89,203	3.2%
Merchant payments (net off by annual fee, delivery and other service income) ²	(2,238,391)	(2,177,350)	(61,041)	2.8%
Income from concessionaire sales and other service income	634,382	606,220	28,162	4.6%
Blended commission rate	22.1%	21.8%		
Total GMV on completed orders	4,068,861	3,966,874	101,987	2.6%
Total gross profit and income from concessionaries sales and other income	932,851	884,548	48,304	5.5%
Blended GP/commission rate	22.9%	22.3%		
Multimedia advertising income and licensing of programme rights	65,390	59,940	5,449	9.1%
Gross Contribution from Ecommerce business segment	998,241	944,488	53,753	5.7%
Gross margin % (including multimedia advertising income and licensing of programme rights)	24.5%	23.8%		
Income from New Ventures and Technology business, net	23,475	1,293	22,182	1715.3%
Gross Contribution from Ecommerce and New Ventures segment	1,021,716	945,781	75,935	8.0%

Hong Kong Ecommerce business

- Stabilised 1P vs 3P GMV: 29% vs 71%** (1H2023: 30% vs 70%)
- Blended Gross Margin** (before multimedia advertising income): **22.9%** (1H2023: 22.3%)
- 1P GP at 25.0%:** Increased margin due to pricing improvement (1H2023: 23.5%)
- 3P Blended Commission Rate at 22.1%:** Offer flexible business models and delivery options at various commission rate to suit different business needs, and include 3PL service income (1H2023: 21.8%)
- Multimedia Advertising Income** with 9.1% growth reaching HK\$65.4M (1H2023: HK\$59.9mn)

New Ventures with combined net contribution of HK\$23.5M in 1H2024 (1H2023: HK\$1.3mn)

Remarks:

- For direct merchandise sales, the GMV on completed orders is before the deduction of HKTVmall dollars of HK\$5,059,000 (1H2023: HK\$474,000) and use of promotional coupon of HK\$18,570,000 (1H2023: HK\$20,447,000).
- For income from concessionaire sales and other service income, it is before the addition of net HKTVmall dollars of HK\$1,787,000 (1H2023: deduction of HK\$1,269,000) and included merchant annual fee amortisation and other service income.

Group Key Operating Expenses



	As a % of GMV on completed orders	1H2024 HK\$'mn	As a % of GMV on completed orders	1H2023 HK\$'mn	Variance	
					HK\$'mn	in %
Fulfilment costs (note 1) - included 3PL Fulfilment costs	11.8%	481.0	10.9%	433.5	47.5	11.0%
Marketing, promotional and O2O shop marketing expenses	2.1%	86.3	2.2%	87.1	(0.8)	-0.9%
O2O shop operating expenses (note 2)	2.2%	88.1	2.4%	95.0	(6.8)	-7.2%
Ecommerce operation and supporting functions	5.4%	221.2	5.1%	202.4	18.8	9.3%
Hong Kong Ecommerce business key operating expenses	21.5%	876.6	20.6%	818.0	58.6	7.2%
New Ventures and Technology business key operating expenses (note 3)		107.7		49.2	58.5	118.9%
Unallocated segment operating expenses (note 4)		23.1		13.1	9.9	75.8%
Total key cash operating expenses		1,007.4		880.3	127.1	14.4%
Non-cash items (note 5)		70.7		63.7	7.0	11.0%
Total other operating expenses under management reporting purpose		1,078.1		944.0	134.1	14.2%
Less: Marketing promotional and O2O shop operating expenses deducted in turnover		(21.8)		(22.2)	0.4	-1.6%
Less: interest on lease liabilities included in finance costs		(12.1)		(8.1)	(4.0)	49.9%
Total other operating expenses under statutory reporting purpose	25.7%	1,044.2	23.0%	913.7	130.4	14.3%

- Including depreciation — other properties leased for own use of HK\$40.9 million (1H2023: HK\$42.8 million) and interest on lease liabilities of HK\$10.3 million (1H2023: HK\$6.4 million);
- Including depreciation — other properties leased for own use of HK\$32.4 million (1H2023: HK\$37.3 million) and interest on lease liabilities of HK\$1.3 million (1H2023: HK\$1.3 million);
- Including depreciation — other properties leased for own use of HK\$3.9 million (1H2023: HK\$2.6 million) and interest on lease liabilities of HK\$0.5 million (2022: HK\$0.4 million);
- Including depreciation — other properties leased for own use of HK\$0.1 million (1H2023: HK\$0.3 million);
- Excluded depreciation — other properties leased for own use of HK\$77.3 million (1H2023: HK\$83.0 million)

Key Operating Expenses



- **Ecommerce Fulfillment costs :**
 - Fulfillment cost % increased to 11.8% of GMV on completed orders in 1H2024 (1H2023: 10.9%) mainly caused by (1) HKTVmall: increase in outsourced manpower in 1H2024 caused by the launch of new membership tiering with lower delivery threshold and the expansion of 8-hour Express Delivery service during the period; (2) 3PL: Full period 3PL operation in 1H2024 while in 1H2023, was under trial run from May 2023.
- **Ecommerce Marketing, promotional and O2O shop marketing expenses:**
 - Marketing cost % decreased to 2.1% of GMV on completed orders (1H2023: 2.2%) Include \$21.8M (1H2023: \$22.2M) Mall Dollars granted and promotional coupons used which was deducted in Turnover under statutory reporting disclosure.
- **Ecommerce O2O shop operating expenses :**
 - Accounted for 2.2% of GMV on completed orders (1H2023: 2.4%)
 - Number of O2O shop network were 75 in June 2024 (including 5 mega stores) vs 87 in December 2023 (including 5 mega stores) due to store consolidation and closure.
- **Ecommerce operation and supporting functions:**
 - Increase to 5.4% of GMV on completed orders in 1H2024 (1H2023: 5.1%), includes payment processing charges, merchant relations and acquisition, customer service, allocated un-capitalized technical costs incurred for Ecommerce business ,and other supporting functions for HKTVmall, ThePlace and 3PL.
 - Increase was mainly due to mainly due to increased Talent resources and overhead to support new business development and initiatives, and for customer service quality enhancement.
- **Technology and other business key operating expenses:**
 - Increase by \$58.5M, mainly due to (1) the operating expenses incurred for New Venture Projects including the research and development costs incurred which are not qualified for capitalisation as intangible assets and (2) allocated costs from shared support functions. The increase were primarily attributed to the growing business scale for Wet Market Express and Everuts, and full period effect from Life Science Projects carried on during 1H2024.
- **Unallocated segment operating expense:**
 - Mainly represented the expenses of head office and corporate expenses not allocated to Ecommerce business or Technology and other business.

Consolidated Statement of Financial Position

Strong Liquidity with Investment in Other Financial Assets and Cash Balance of HK\$989.9 million



	Jun-24	Dec-23	Variance	
	HK\$'000	HK\$'000	HK\$'000	in %
Property, plant and equipment	1,483,881	1,517,182	(33,301)	-2.2%
Other properties leased for own use	415,455	452,902	(37,447)	-8.3%
Intangible assets (HKBN Network IRU and telecom facilities)	32,569	34,619	(2,050)	-5.9%
Intangible assets (qualified R&D costs)	118,124	100,607	17,517	17.4%
Other financial assets (Fixed income and Equity investment)				
Non-current	142,727	201,060	(58,333)	-29.0%
Current	81,829	160,712	(78,883)	-49.1%
Other receivable, deposits and prepayments	210,049	191,682	18,367	9.6%
Inventories and other contract costs	124,702	140,418	(15,716)	-11.2%
Time deposit	179,966	243,028	(63,062)	NA
Cash and cash equivalents	585,372	330,565	254,807	77.1%
Deferred tax assets	91,450	89,005	2,445	New
Total Assets	3,466,123	3,461,780	4,343	0.1%
Accounts payable	445,862	382,760	63,102	16.5%
Other payables and accrued charges	444,696	453,408	(8,712)	-1.9%
Deposits received	5,757	5,757	-	0.0%
Lease liabilities	436,318	472,799	(36,481)	-7.7%
Deferred tax liabilities	2,236	1,709	528	30.9%
Total Liabilities	1,334,869	1,316,432	18,437	1.4%
NET ASSETS	2,131,255	2,145,348	(14,094)	-0.7%
Share capital	1,805,004	1,805,004	-	0.0%
Reserve	326,251	340,344	(14,094)	-4.1%
TOTAL EQUITY	2,131,255	2,145,348	(14,094)	-0.7%

Share Buy back by General Offer

- ✓ On 30 July 2024, the share buy back by general offer of 100 million shares was completed
- ✓ A total consideration of **\$215M** (excluding transaction costs and duties) was being paid to the accepting shareholders on pro-rata basis.
- ✓ Despite the above-settlement, the Group continues to maintain strong liquidity and unutilized banking facilities to support future growth and development.

New Ventures and Technology Business

2024 Business Target Review



Business Targets (HK\$'mn)	1H2024 Actual	FY2024 Original Target	FY2024 Revised Target
Wet Market Express			
GMV on order intake	107.9 million	HK\$200.0 - HK\$260.0 million	HK\$260.0 - HK\$320.0 million
Adjusted EBITDA loss	36.3 million	HK\$43.0 - HK\$49.0 million	HK\$80.0 - HK\$95.0 million
Fully Automated Retail Store and System			
GMV on order intake	0.3 million	HK\$5.3 million	HK\$0.8 – HK\$1.0 million
Adjusted EBITDA loss	24.2 million	HK\$57.0 million	HK\$57.0 million
Everuts			
GMV on order intake	22.7 million	HK\$144.0 million	HK\$55.0 – HK\$64.0 million
Adjusted EBITDA loss	13.6 million	HK\$35.0 million	HK\$32.0 - 37.0 million
Life Science Project			
Adjusted EBITDA loss	6.8 million	HK\$10.0 million	HK\$18.0 million

New Ventures and Technology Business

2024 Business Target Review



1. Wet Market Express – upward adjustment on annual GMV on Order Intake target

- Promising growth on GMV on Order Intake in 1H2024
- To capture opportunity arising from the weak economic environment which might increase the home cooking trend so as to accelerate the consumer adoption aggressively in 2H2024
- Large-scale advertising and promotional events are conducted, including the “Queen of the Wet Market” campaign featured by Ms. Do Do Cheng since 1 August 2024 and the re-launch of the “Free distribution of seafood campaign” at HKTVmall to drive the exposure of Wet Market Express to existing HKTVmall customers.

2. Everuts – downward adjustment on annual GMV on Order Intake target

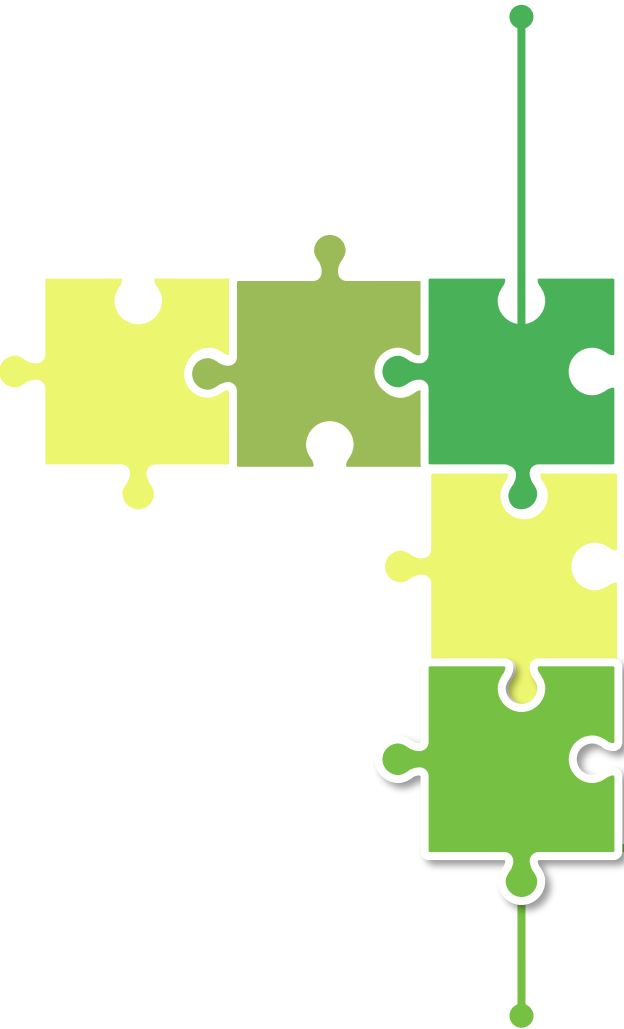
- Impacted by the shifting consumer purchasing patterns and the growing trend of outbound travel, Everuts’s overall performance in 1H2024 did not meet initial expectations
- Still, achieved a remarkable 136.5% increase in GMV on Order Intake compared to 1H2023
- Management does not anticipate any significant changes in the market environment in 2H2024 and concluded to revise downward the annual GMV on Order Intake with slight adjustment to Adjusted EBIDTA loss

3. Fully Automated Store and System – downward adjustment on annual GMV on Order Intake target

- The delay in locating and securing new store locations has resulted in a postponement of generating additional GMV on Order Intake in 2024

4. Life Science Projects – additional investment required for R&D activities

- Additional investments are required due to the faster-than-expected progress in team mobilization, which has accelerated the initiation of research and development activities in 2024



Business Overview



The Group Recorded **4.9% Growth** in GMV on Order Intake Despite of Surrounding Challenges in 1H2024



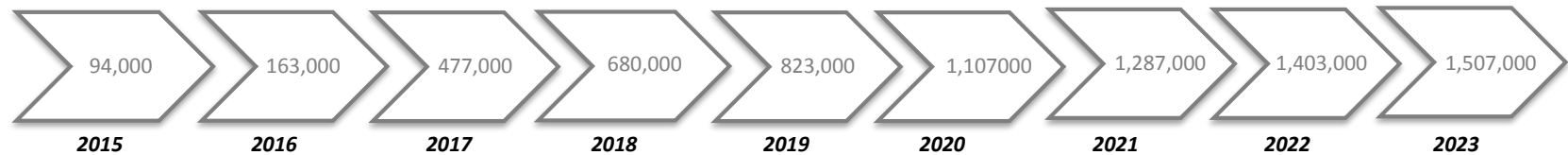
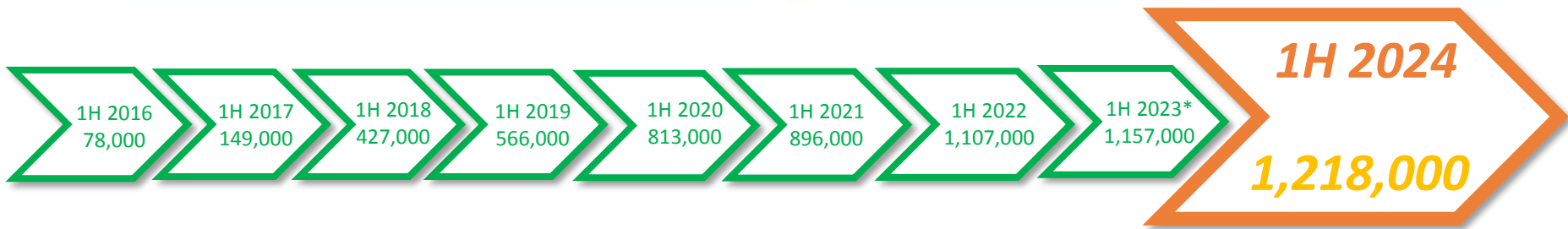
Source : Report on Monthly Survey of Retail Sales – issued by Census and Statistics Department Hong Kong Special Administrative Region, excluding Fuel, Motor Vehicles and parts, and Optical shops



Hong Kong Ecommerce Business

Solid Growing Customer Base as Foundation for New Ventures

Combined Unique Customers
(rounded to the nearest thousand)



Source: Internal System

* Combined Unique Customers for 1H2023 is restated for the Hong Kong Ecommerce Business (i.e. HKTVMall including ThePlace)

Unlimited Add-On to Enhance Basket Size / Order



落完單
醒起冇漏嘢?

無限加單
\$0運費!

Main Order Delivery Time	Unlimited Add-on Order Cut-off
Morning (10:00 - 14:00)	Yesterday 10 p.m.
Afternoon (14:00 - 18:00)	Yesterday 10 p.m.
Evening (18:00 - 21:00)	Same day 1 p.m.



In 1H2024, **167,000+** Unique Customers placed Add-On Order with average basket size in **HK\$354**

Customers can enjoy free shipping without thresholds and place add-on order as many times as they like

Same Day Express Delivery



1PM前落單, 即晚送達

只要訂單內所有商品
有該標籤, 即可即晚送達



認住標籤 即晚送達

As of Jun 2024, Reached **127,000+** items for 8-hour Express Delivery (including 1P & 3P items) for groceries, personal care, skincare, cosmetics, houseware products, etc.

130%

GMV increment*

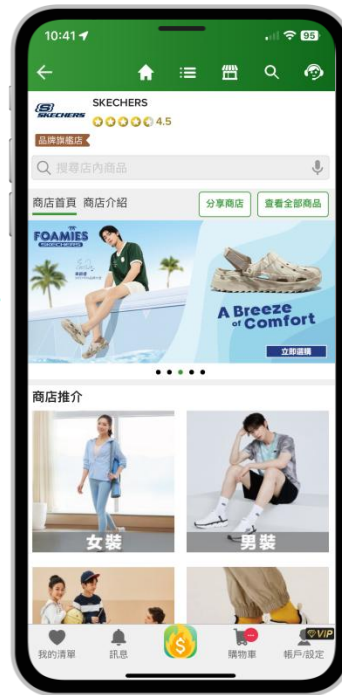
* GMV on Order Intake for product items under 3P Business eligible for 8-hour Express Delivery had an increment by approximately 130.0% from December 2023 to June 2024.

Empowering Merchants to Run Online Business

External Traffic Referral Program

Merchants promote their products through any **external channels**, including social media platforms, emails, etc. with the designated referral hyperlinks

The actual commission of every product checkout driven by external traffic is **5%**



Helping Merchants to Step into Ecommerce Industry

All-in-one eStore Solution -  ThePlace

Online resources with eCommerce training & tips



Seminars & workshops



ThePlace

一對一免費開店諮詢

無論您是網店新手、創業人士，或是想進一步拓展網上銷售渠道，當您遇到任何關於開網店或電商的問路時，立即預約HKTV集團旗下「ThePlace」專業電商團隊的免費一對一諮詢服務！我們將為您提供最合適的開網店方案及營銷貼士。



Strategic sales planning & consultation





Fast Growing on Wet Market Business

Combining Wet Market Delivery with Existing HKTVmall Base

Leveraging Existing Customer Base:

Wet Market Add-On after placing a HKTVmall Order

Developing a robust Ecommerce ecosystem with extensive product diversity



Streamlined Shopping:
Wet market products delivered with HKTVmall orders with **\$0 delivery fee**



Fast Growing on Wet Market Business

Creative Marketing Execution: Live Seafood Freebies to Drive New Customers Growth

Delivered
>30,000
Live Seafood to
HKTVmall Customers



Upward Adjusted 2024 GMV Target

\$260m-\$320m



Live seafood
freebie
Goes Viral on
Social Media

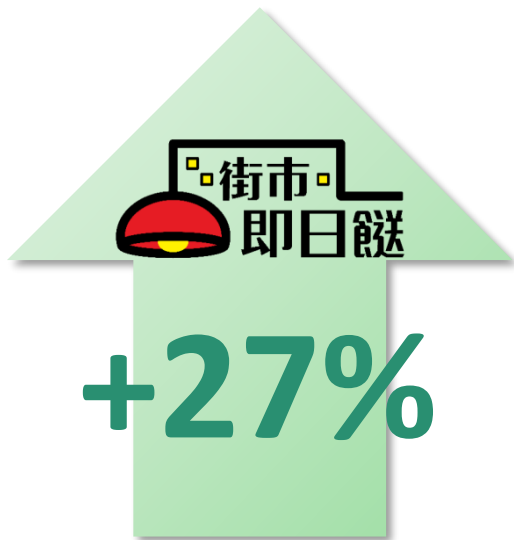


Fast Growing on Wet Market Business

Higher Retention Rate of Wet Market Services Compared with HKTVMall



Average Retention Rate of NEW CUSTOMERS is higher than HKTVMall



Increased customer stickiness

Tapping into a new market to bring stable traffic & sales



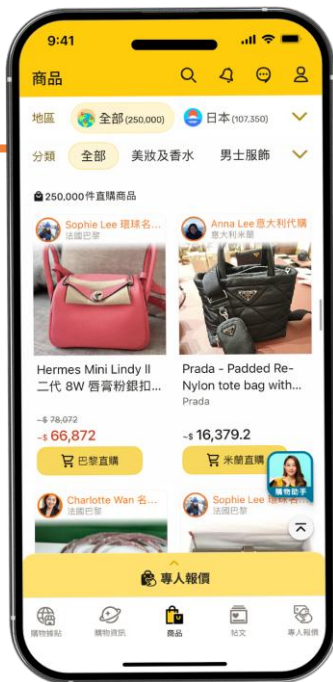
Duo Shopping Models on EVERUTS

Direct Purchase



Customers are able to **directly purchase products from local brands or shops** that are uploaded by Personal Shoppers

200,000+ SKUs ranging from categories like Mother & Kids, Toys and Fashion



Request



Customers can directly **make a request to Personal Shoppers** by sharing a product image or link

Personal Shoppers will **make offers and purchase on customers' behalf**



Revamped UI to Highlight the Unique Business Concept



Map of Personal Shoppers



Personal Shoppers Profile



My Spot

New UI showcasing the vast network of international Personal Shoppers

The new feature – “My Spot” – allows Personal Shoppers to share their go-to-shopping locations with customers

Assist customers to find the Personal Shoppers who suits their needs the most



Appendix

Glossary



EBITDA means profit for the year plus interest on bank loans (excluded finance costs — interest on lease liabilities), income tax expense/(credit), depreciation on property, plant and equipment (excluded depreciation on other properties leased for own use) and amortisation of intangible assets and deduct investment returns.

Adjusted EBITDA means EBITDA adjusted by major non-cash items and excluded the government subsidies.

Adjusted free cash flow means adjusted EBITDA plus investment returns, tax refund (paid), changes in working capital and depreciation of properties leased for own use and deduct payment for the purchase of property, plant and equipment, payment for the addition to intangible assets and capital element of lease rentals paid.

EBITDA, Adjusted EBITDA and Adjusted Free Cash Flow are not a measure of performance under Hong Kong Financial Reporting Standards (“HKFRSs”). This measure does not represent, and should not be used as a substitute for, net profit or cash flows from operations as determined in accordance with HKFRSs. This measure is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definition of this measure may not be comparable to other similarly titled measures used by other companies

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 discounts offered by the marketplace, rebate used, cancellation and returns of merchandise sold.

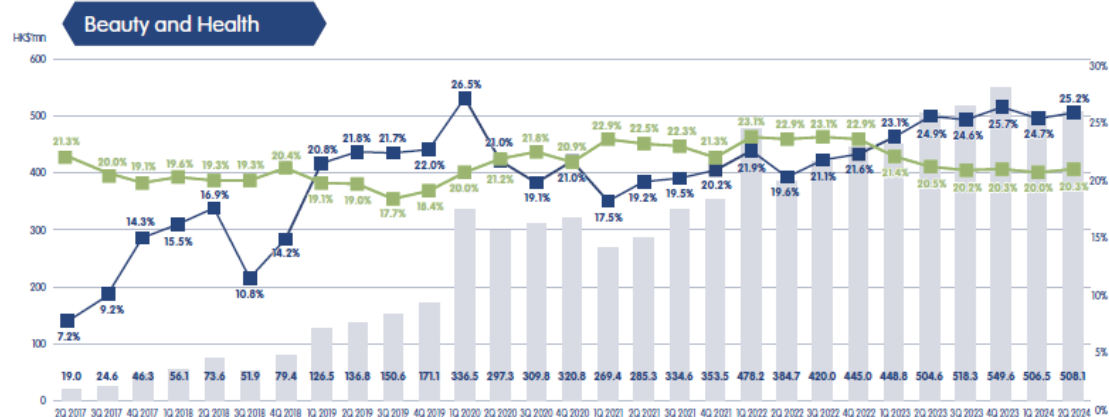
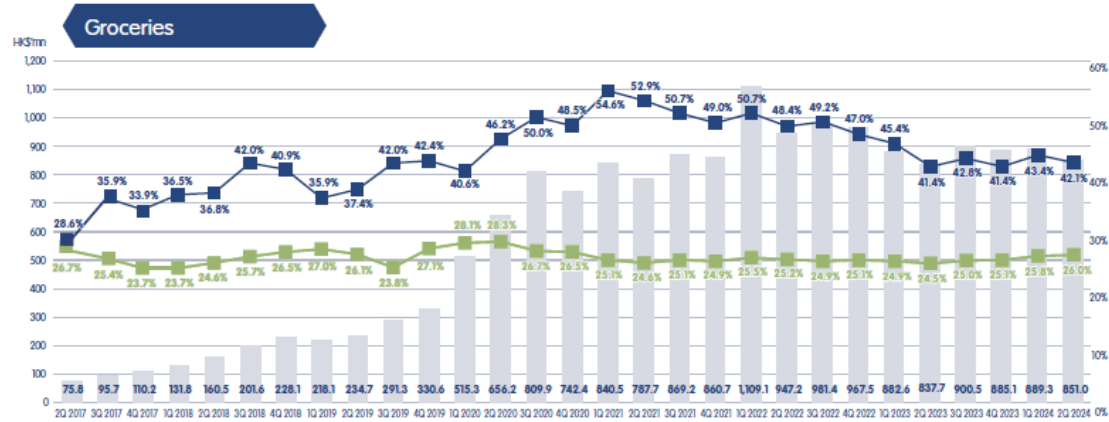
GMV on completed orders represents the total gross sales dollar value for merchandise sold through a particular marketplace and the customer has obtained control of the promised goods and services ordered over a certain time frame, after deduction of any discounts offered by the marketplace, cancellation and returns of merchandise, and is before the deduction of certain HKTVMall dollars and promotional coupon which is considered as advertising and marketing expenses under management reporting purpose.

Reconciliation of Group Adjusted EBITDA



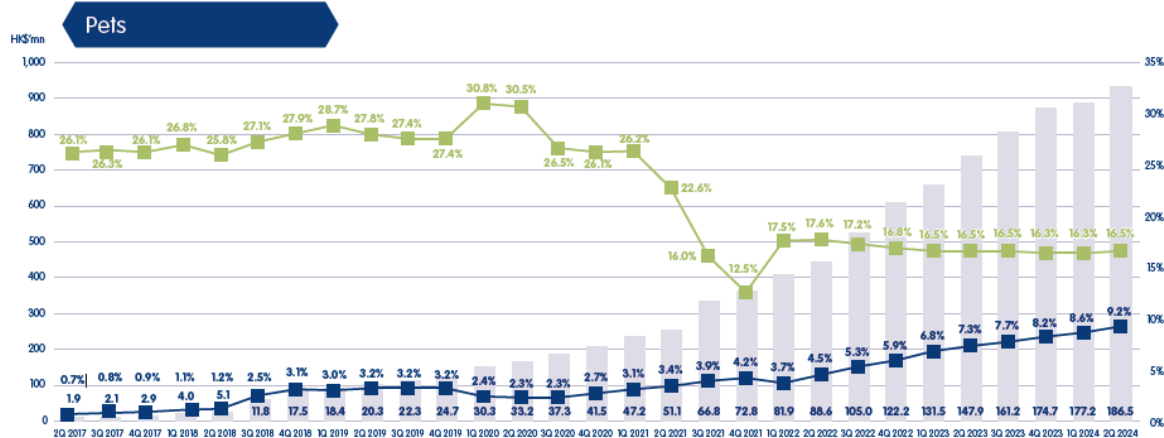
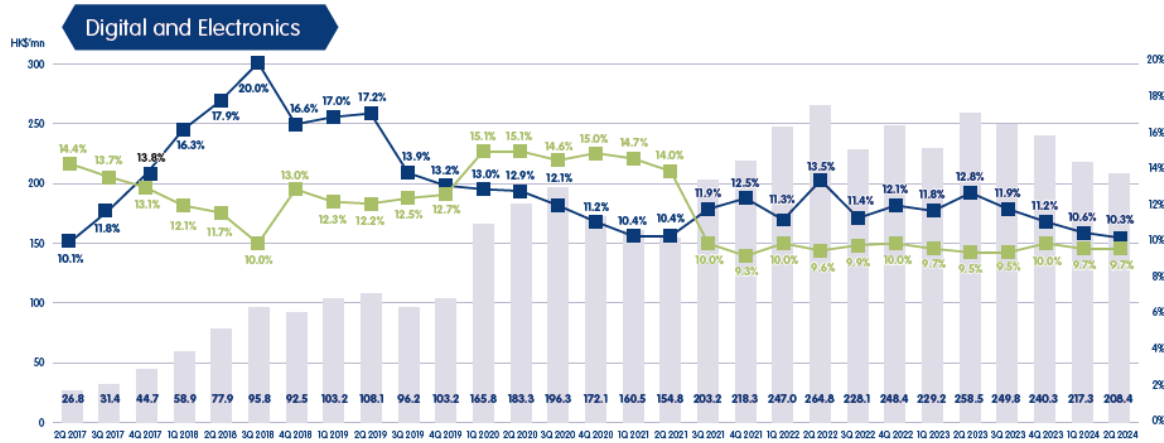
Reconciliation of EBITDA and Adjusted EBITDA	1H2024	1H2023	Variance	
	HK\$'000	HK\$'000	HK\$'000	%
GMV on Order Intake	4,235,466	4,038,119	197,347	4.9%
GMV on Completed Orders	4,199,746	3,992,883	206,863	5.2%
(Loss)/profit for the period	(27,478)	48,696	(76,174)	-156.4%
	-0.7%	1.2%		
Income tax credit	(1,421)	(5,296)	3,875	-73.2%
Investment returns	(19,207)	(20,443)	1,236	-6.0%
Depreciation (excluded depreciation on other properties leased for own use)	62,035	58,213	3,822	6.6%
Amortisation on intangible assets	10,805	6,674	4,131	61.9%
EBITDA	24,734	87,844	(63,110)	-71.8%
EBITDA/GMV on completed orders (in %)	0.6%	2.2%		
Major non-cash items			-	0.0%
- Valuation losses on investment properties	8,550	-	8,550	0.0%
- Exchange loss/(gain)	2,522	(5,644)	8,166	-144.7%
- Provision of expected credit loss on debt securities measured at FVOCI	801	326	475	145.7%
- Reversal of equity-settled share-based payment expenses (after capitalisation)	-	(1,207)	1,207	-100.0%
- Unwinding the discounting effect of rental deposits	(404)	-	(404)	0.0%
- Unrealised fair value loss on units in investment funds measured at FVPL	2,193	1,282	911	71.1%
- Government subsidies	(800)	(21)	(779)	3709.5%
Adjusted EBITDA	37,596	82,580	(44,984)	-54.5%
Adjusted EBITDA/GMV on completed orders (in %)	0.9%	2.1%		

Trend on Gross Profit and Blended Commission Rate Performance



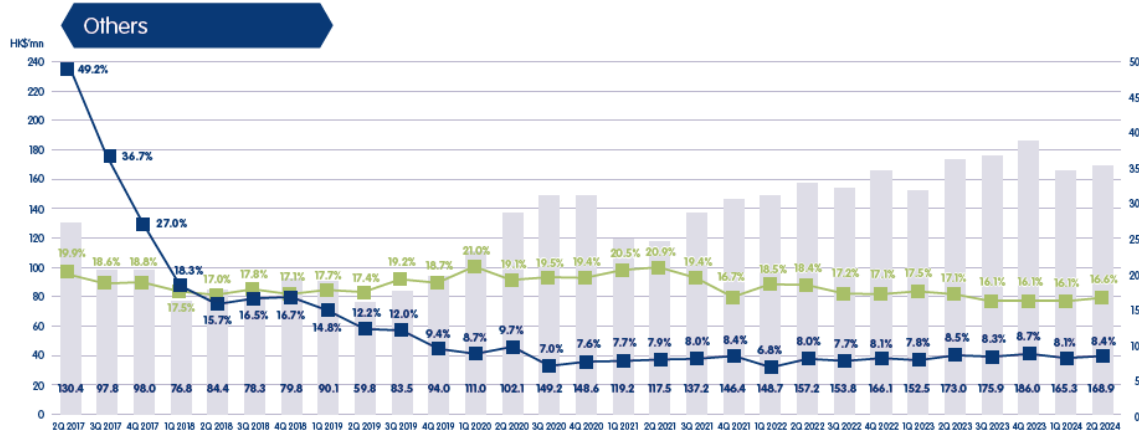
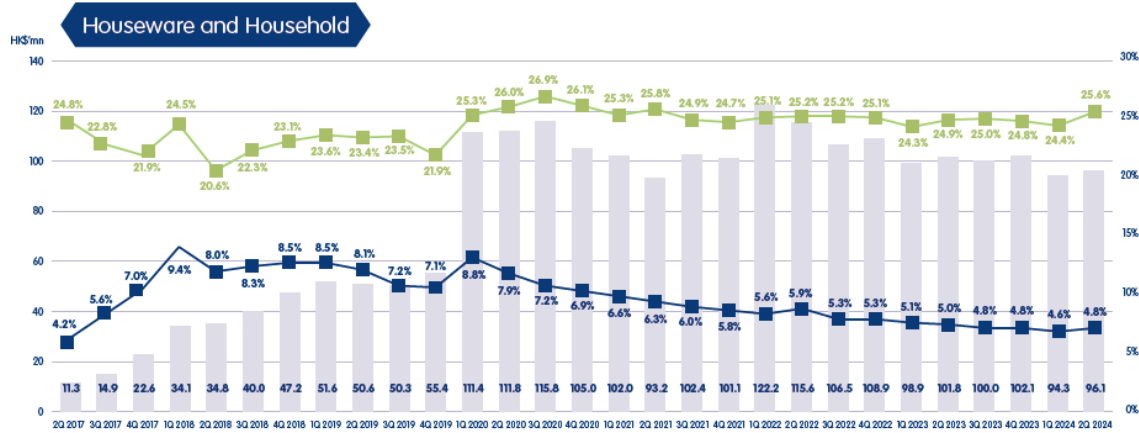
- Quarterly GMV on completed orders (HK\$ million)
- Quarterly proportion of GMV on completed orders
- Quarterly gross profit margin and blended commission rate

Trend on Gross Profit and Blended Commission Rate Performance



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Trend on Gross Profit and Blended Commission Rate Performance



- Quarterly GMV on completed orders (HK\$ million)
- Quarterly proportion of GMV on completed orders
- Quarterly gross profit margin and blended commission rate



Thank You