



For immediate release

HKTVM Announced Interim Results 2024
GMV on Order Intake & EBITDA for HKTVMmall Recorded Stable Growth
New Venture Projects Dragged Down Group Earnings

(Hong Kong, 23 August 2024) Hong Kong Technology Venture Company Limited (Stock Code : 1137, “The Group”) today announced interim results for the 6 months ended 30 June 2024. Group GMV on order intake (including Ecommerce business, New Ventures and Technology Business) reached HK\$4,235 million in 1H2024, representing a growth of 4.9% compared to HK\$4,038 million in 1H2023. Adjusted EBITDA at HK\$37.6 million (1H2023 : HK\$82.6 million), and the decrease in EBITDA was mainly resulted from the investment and expenses for new venture projects, that have offset the satisfactory performance of HKTVMmall Ecommerce business.

	1H2024 (HK\$mn)
Hong Kong Ecommerce Business	133.8
Wet Market Express	(36.3)
Fully Automated Retail Store & System	(24.2)
Everuts	(13.6)
Life Science Project	(6.8)
General Technology Development	(3.6)
Head Office & Corporate	(11.7)
Group Adjusted EBITDA	37.6
Investment Returns	19.3

GMV on Order Intake & EBITDA for HKTVMmall Recorded Stable Growth

Hong Kong Ecommerce Business (HKTVMmall, including thirty party logistics services and ThePlace) Highlights :

1. Facing the challenges from global and local economy, business environment & retail industry, GMV on order intake for HKTVMmall Ecommerce business increased by 2.5% at HK\$4,104.5 million (1H2023 : HK\$4,005.2 million);
2. Adjusted EBITDA reached HK\$133.8 million (1H2023: HK\$132.7 million);
3. The monthly active HKTVMmall App users is on up trend reaching 1,647,000 users in June 2024 (June 2023: 1,581,000 users);
4. 1,218,000 unique customers who made purchases at HKTVMmall, a growth of 5.3% (1H2023: 1,157,000 unique customers).



New Venture Projects Dragged Down Group Earnings

New Venture Projects (including Wet Market Express, Global personal shopping platform, Everuts, Fully Automated Retail Store & Systems, Life Science Project) Highlights :

1. An aggregated GMV on order intake of HK\$130.9 million was, representing 297.9% growth compared to HK\$32.9 million in 1H2023;
2. An adjusted EBITDA loss of approximately HK\$84.5 million was incurred (1H2023: HK\$48.0 million).
3. The increase in loss was mainly due to the growing operating costs incurred for New Venture Projects, particularly on expanding business scale for Wet Market Express and Everuts, marketing & promotions, research & development costs and supporting costs. These New Ventures brought adverse effects on the overall financial performance of the Group, that have offset the satisfactory performance of HKTVMall Ecommerce business.

Proactively Seeking Change under Social Transformation

Mr. Ricky Wong, Vice Chairman & Group CEO of HKTVM said, “Hong Kong’s economy and society are undergoing a period of transformation, while the demographic composition and consumer consumption patterns in Hong Kong keep changing. At the same time, tremendous outbound travel and the new trend of cross-border consumption brings significant competition pressure to the Hong Kong retail industry. Therefore, we have become more determined to seek changes actively since 2022 not only to reinforce HKTVMall’s leading position in the Hong Kong Ecommerce industry, but more importantly, to explore different business models and even eye on international markets, to invest in New Ventures and Technology business.”

Satisfactory Performance on Various Indicators of HKTVMall

On HKTVMall Ecommerce business, apart from the highlights mentioned above, the total gross profit margin and blended commission rate increased to 22.9% (1H2023 : 22.3%). This was mainly caused by the deliberate 1P business gross profit margin improvement at 25.0% (1H2023 : 23.5%), growing 3P business with stabilised blended commission rate at 22.1% (1H2023 : 21.8%), and sustained multimedia advertising income of HK\$65.4 million (1H2023 : HK\$59.9 million). As for the product categories distribution by GMV on order intake, ranked in descending order would be Groceries (42.8%), Beauty & Health (24.9%), Digital and Electronics (10.5%), Pets (8.9%), Houseware and Household (4.7%) and Others (8.2%).



The fulfilment costs as a % of GMV on completed orders for Hong Kong Ecommerce business (including HKTVMmall and 3PL service operating costs) has increased in 1H2024 and was at 12.1% in Q2 2024. This was mainly due to the lowering of free delivery and shop pick up threshold for VIP, Gold VIP and Diamond VIP members in the new membership program effective from 1 January 2024, and the launch of 8-hour Express Delivery.

New Ventures Projects are at the Stage of Investment, Research & Development

The New Venture projects are under different phases of development. Wet Market Express is stepping into its second year of full year operation since official launch in late 2022. While it welcomed its fast growing and remarkable performance in 1H2024, with GMV on order intake increasing from HK\$23.3 million in 1H2023 to HK\$107.9 million in 1H2024, representing a year-on-year growth of 363.1% and surpassing the full year of 2023 of HK\$100.6 million. It also experienced a start up adjusted EBITDA loss (at cost basis) of HK\$36.3 million (1H2023: HK\$15.4 million), representing a year-on-year increase of 135.7%.

Everuts, launched in January 2023, boasts a loyal and growing personal shopper base, with over thousand Exploruts located in over 25 countries and regions. However, Everuts' progress has been moderate compared to the 2024 business target. However, when compared to 1H2023, Everuts has shown significant improvement in 1H2024, achieving HK\$22.7 million in GMV on order intake – representing a 136.5% increase compared to 1H2023.

The first “in:Five” store adopting our self-invented Fully Automated Retail Store and System in Manchester, the United Kingdom provides a real life environment to the project team to continue refining the design of the system and reviewing the store operation. It is expected that it shall need another 1 – 2 years' time aiming to optimize the effectiveness and efficiency for future mass scale deployment. Life Science project is still in its early stages of development, and the prospects and timing of development and commercialisation of such projects are subject to uncertainties.

Mr. Wong concluded, “We must engage in diversified development and persist in trying new approaches when encountering the complex and dynamic business environment in the future. In the coming years, with the support from the solid performance of HKTVMmall, the Group will keep strengthening investments and explore new businesses.”



For full details and data for IR2024, please visit

<https://www.hktv.com.hk/uploads/1724402123084-EW01137ann.pdf>.

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About HKTVM Group

Hong Kong Technology Venture Company Limited is a Hong Kong listed company (SEHK: 1137). Established in 1992, the Group has extensive and successful experience in telecom market liberalization and popularizing advanced technology and applications. The Group is actively developing its Ecommerce business, with the largest 24-hour online shopping mall “HKTVMall” in Hong Kong and a wholly-owned subsidiary of Hong Kong Technology Venture Company Limited. HKTVMall provides one-stop shop services including online shopping, marketing & digital advertising, big data analysis, smart logistics & fulfilment as well as physical O2O stores, and to transform all business operations, trading, retail, finance and daily life into a single digital online platform to establish a unique digital ecosystem.

The Group also eyes on international markets by developing several New Venture and Technology businesses, including “Wet Market Express”, the express delivery service of fresh food, “Everuts”, a global personal shopping platform, Self-Invented Fully Automated Store and System, and Life Science Projects, maintaining our unique advantages with innovative spirit and trying different new things.

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