



Hong Kong Technology Venture Company Limited (Stock Code: 1137)

Annual Results
For the year ended 31 Dec 2024



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By Jelly Zhou, CEO (HK)



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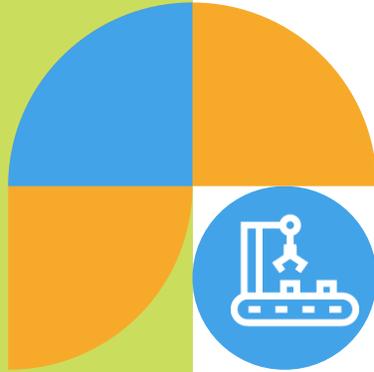
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Group Financial Review

Ms. Alice Wong
Group CFO



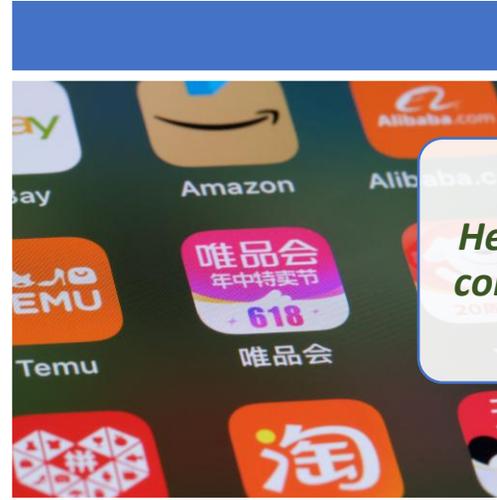
Evolving Challenges and Uncertain Business Environment



***Volatile
economic
environment***



***Shifting
consumer
preference***



***Heightened
competition***



***Surging
outbound
travel***

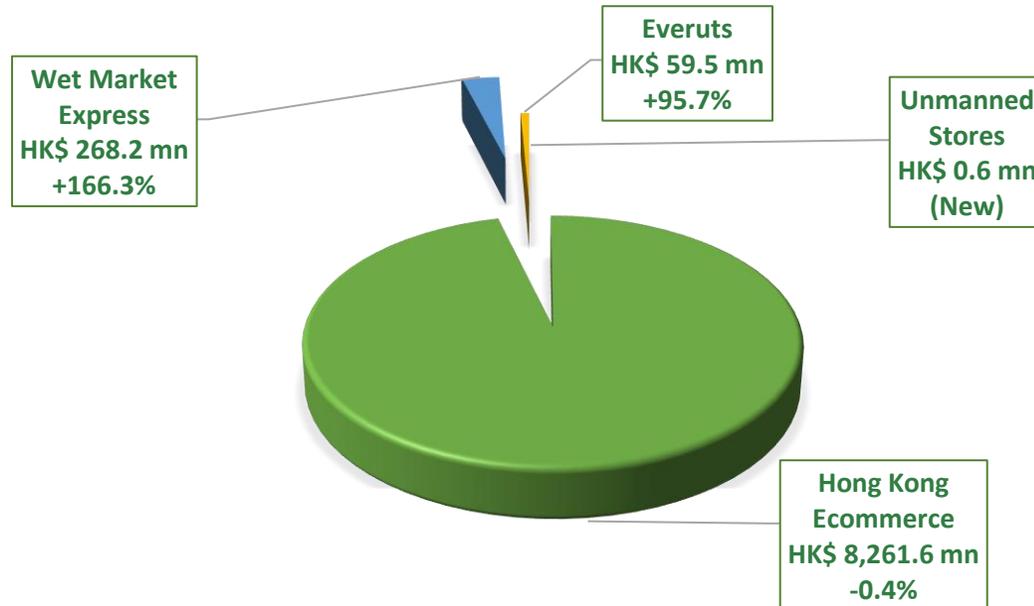
Group GMV on Order Intake



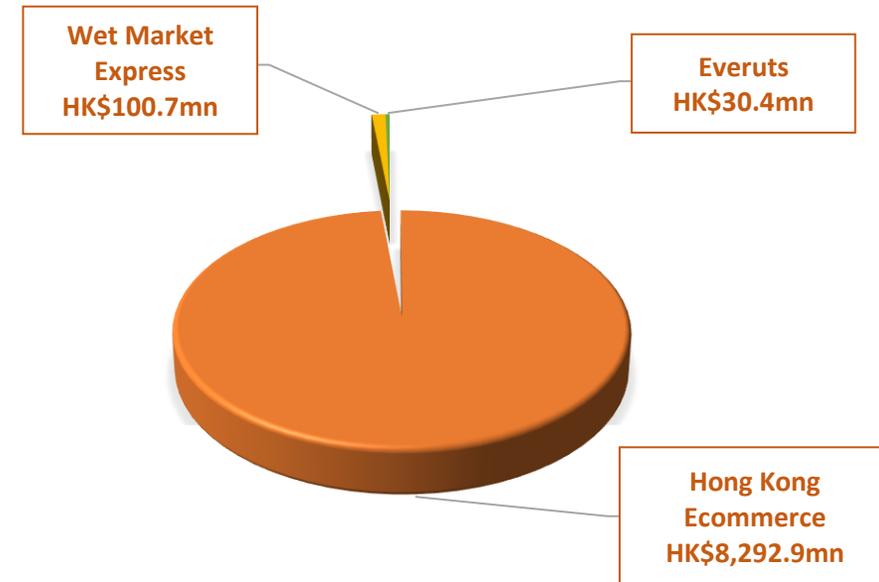
During 2024, on Group level, the total GMV on Order Intake had a slight increase of 2.0% reaching HK\$8.59bn. Particularly,

- **Wet Market Express** increased by HK\$167.5mn representing 166.3% growth to HK\$268.2mn in 2024.
- **Everuts** increased 95.7% to \$59.5mn in 2024.

2024 Group GMV on Order Intake: HK\$8.59 bn



2023 Group GMV on Order Intake: HK\$8.42 bn



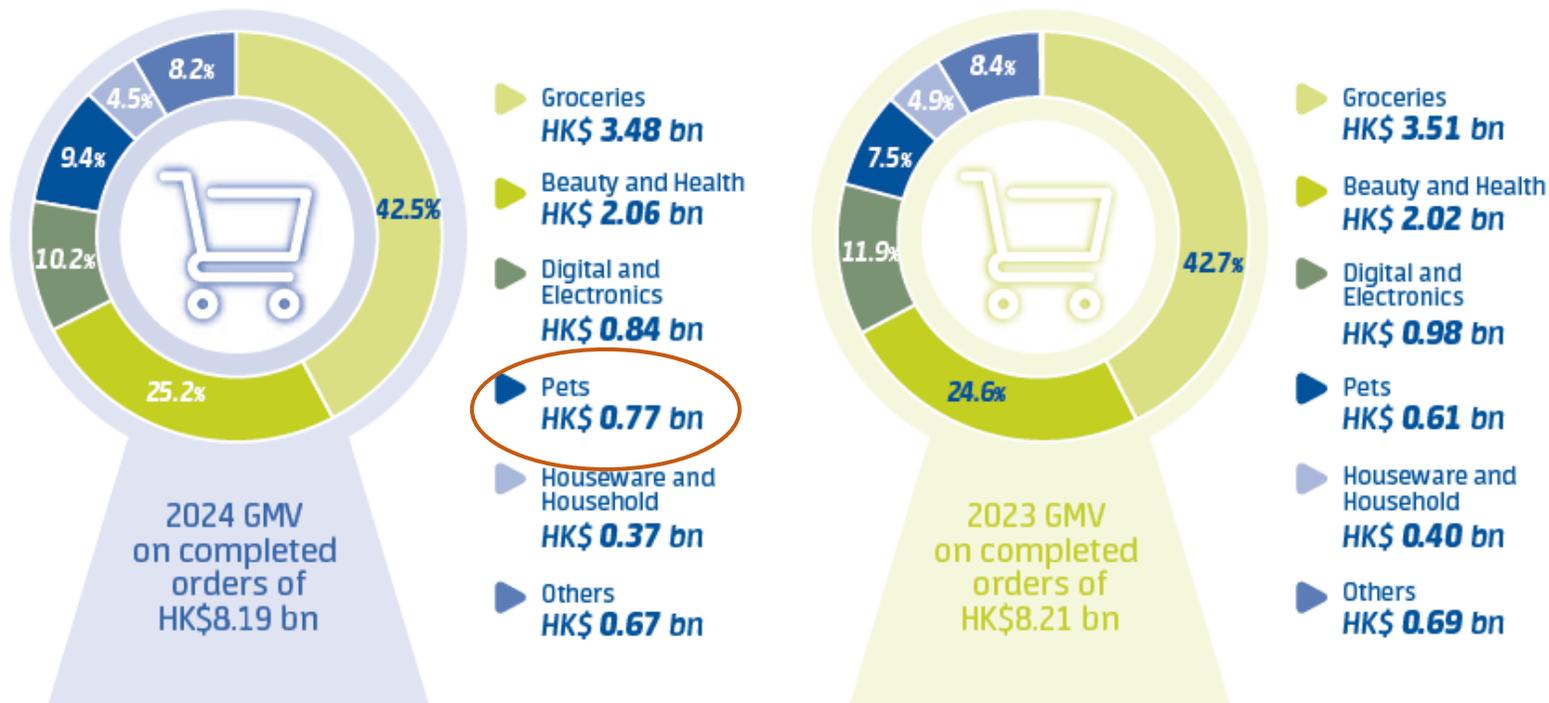
Hong Kong Ecommerce Business

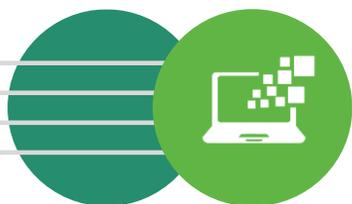
Solid Traffic Driver from Solid Groceries Base



- ✓ Stable contribution from **Groceries** – Key recurring traffic driver and Entry point for new customer acquisition
- ✓ Expanding multi-categories product choices empowered cross-selling
 - ✓ Pet products continued ranked the Top 4th category in 2024 attributed to **9.4%** (2023: 7.5%) GMV on Completed Orders, represented a **26.2%** y-on-y growth

Product categories distribution (based on GMV on completed orders)





Consolidated Income Statement – Group

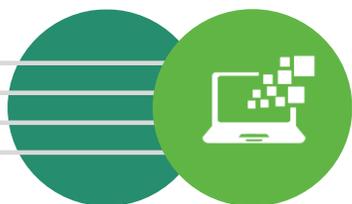
	2024 HK\$'mn	2023 HK\$'mn	Variance	
			HK\$'mn	%
GMV on Order Intake	8,589.8	8,424.0	165.8	2.0%
GMV on Completed Orders	8,512.0	8,330.1	181.9	2.2%
Turnover	3,877.7	3,861.7	16.0	0.4%
Cost of inventories	(1,757.1)	(1,865.1)	108.0	-5.8%
Operating expenses	(2,209.9)	(2,029.3)	(180.6)	8.9%
Valuation losses	(21.2)	(0.6)	(20.6)	3433.3%
Other income, net	63.4	90.6	(27.2)	-30.0%
Finance costs	(24.2)	(18.5)	(5.7)	31.1%
Profit before taxation	(71.3)	38.8	(110.1)	-284.0%
Income tax credit	4.6	6.6	(2.0)	-29.8%
Profit for the year	(66.7)	45.3	(112.0)	-247.2%
Profit margin (%)	-0.8%	0.5%	-1.3%	
EBITDA	52.2	130.6	(78.4)	-60.0%
EBITDA/ GMV on completed orders (in %)	0.6%	1.6%	-1.0%	
Adjusted EBITDA	121.0	122.7	(1.7)	-1.4%
Adjusted EBITDA/ GMV on completed orders (in %)	1.4%	1.5%	-0.1%	

Key operating factors attributed to the Group's Loss for the year in 2024:

- Start-up losses incurred for New Venture Projects** due to expanding business scale during the year
- Impairment losses of HK\$42.1 million for the UK operation on the Fully Automated Retail Store and System** due to the intended scale back of the pace of the UK store deployment in 2025. A though reassessment will be performed on the UK project feasibility by the end of 2025.
- Valuation losses on investment properties of HK\$21.2 million** (2023: Losses of HK\$0.6 million)

Remark:

Adjusted EBITDA means EBITDA adjusted by major non-cash items, excluded non-recurring items including government subsidies and impairment loss.



Hong Kong Ecommerce Business (HKTVmall including 3PL Service and ThePlace)

Adjusted EBITDA Margin increased to **4.0%**

	2024 HK\$'mn	2023 HK\$'mn	Variance HK\$'mn	in %
Adjusted EBITDA	277.0	223.6	53.6	23.9%
Inter-segment royalties charges for use of Ecommerce Solution provided by Technology segment	127.9	124.9	3.0	2.4%
Technical and relevant support expenses not qualified for capitalization which was incurred for eCommerce business development	(75.7)	(92.0)	16.4	-17.8%
Ecommerce business adjusted EBITDA (at cost basis)	329.2	256.4	72.8	28.4%
Adjusted EBITDA margin as a % of GMV on completed orders	4.0%	3.1%		0.9%
GMV on completed orders	8,192.6	8,210.3	(17.7)	(0.2%)

Significant improvement in Adjusted EBITDA on Hong Kong Ecommerce business is primarily due to the below key factors:

1. Blended gross profit margin improved by **0.9%** (excluding multimedia advertising income), representing a **\$67.6mn increase** in total gross profit and income from concessionaries sales and other income;
2. Incremental multimedia advertising income of **\$6.0mn**

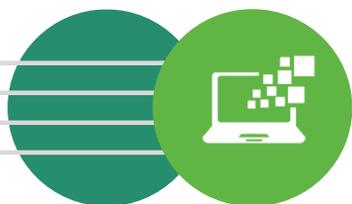


New Venture and Technology Business (after allocation of un-capitalized technical and supporting costs)

HK\$'mn	FY2024		FY2023		Variance	
	GMV on order intake / Service Income	Adjusted EBITDA Loss	GMV on order intake / Service Income	Adjusted EBITDA Loss	HK\$'mn	in %
	HK\$'mn	HK\$'mn	HK\$'mn	HK\$'mn	HK\$'mn	in %
Wet Market Express	268.2	(77.3)	100.7	(50.0)	(27.3)	54.6%
Fully Automated Retail Store and System (HK and UK)	0.6	(54.3)	-	(44.5)	(9.8)	22.0%
Everuts	59.5	(33.4)	30.4	(21.1)	(12.3)	58.2%
Life Science Project	-	(15.5)	-	(2.5)	(13.0)	525.9%
	328.3	(180.4)	131.1	(118.1)	(62.3)	52.7%
Unallocated portion		(5.9)		(8.1)	2.1	-26.2%
New ventures and Technology Business Adjusted EBITDA Loss		(186.5)		(126.2)	(60.2)	47.7%

Life Science Projects: collaborating with two internationally renowned universities with expanded **research teams to 20+ professionals**. Based on extensive data collected, research and preliminary analysis derived from numerous experiments conducted during 2024, **all parties are convinced - a groundbreaking direction in “blood regeneration” and “organ preservation” with profound potential.**

Stakeholders: Such cutting-edge research typically requires ten years or more to yield significant results. We will continue to invest resources and make progress steadily in this field.



Group Gross Contribution Analysis – Improved Gross Contributions

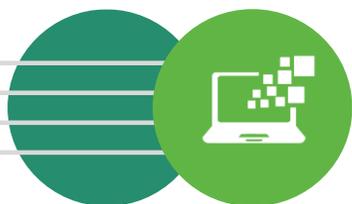
On Completed Orders and Adjusted Basis	FY2024 HK\$'000	FY2023 HK\$'000	Variance HK\$'000	%
Direct merchandise sales ("1P")				
GMV on completed orders ¹	2,350,793	2,441,413	(90,620)	-3.7%
Cost of Inventories	(1,752,796)	(1,865,094)	112,298	-6.0%
Gross profit	597,997	576,319	21,678	3.8%
Gross margin %	25.4%	23.6%		
Income from concessionaire sales and other service income ("3P")				
GMV on completed orders	5,841,817	5,768,861	72,956	1.3%
Merchant payments (net off by annual fee, delivery and other service income) ²	(4,538,890)	(4,511,856)	(27,034)	0.6%
Income from concessionaire sales and other service income	1,302,927	1,257,005	45,922	3.7%
Blended commission rate	22.3%	21.8%		
Total GMV on completed orders	8,192,610	8,210,274	(17,664)	-0.2%
Total gross profit and income from concessionaries sales and other income	1,900,924	1,833,324	67,600	3.7%
Blended GP/commission rate	23.2%	22.3%		
Multimedia advertising income and licensing of programme rights	156,493	150,537	5,956	4.0%
Gross Contribution from Hong Kong Ecommerce business segment	2,057,417	1,983,861	73,556	3.7%
Gross margin % (including multimedia advertising income and licensing of programme rights)	25.1%	24.2%		
Income from New Ventures and Technology business, net ³	63,180	12,744	50,436	395.8%
Gross Contribution from Ecommerce and New Ventures and Technology business segment	2,120,597	1,996,605	123,992	6.2%

Hong Kong Ecommerce business (HKTVmall, ThePlace and 3PL)

- ✓ Stable 1P vs 3P GMV proportion: 29% vs 71% (2023: 30% vs 70%)
- ✓ Increasing Blended Gross Margin (before multimedia advertising income): 23.2% (2023: 22.3%)
- ✓ **1P GP** at 25.4% (2023: 23.6%) : improved margin because of proactive pricing strategy, enhancing cost management and expanding vendor sources, such as overseas direct imports.
- ✓ **3P Blended Commission Rate** (net of 3PL service income) at 22.3% (2023: 21.8%): improved due to increase in 3PL service income and increase in merchant annual fee for HKTVmall and ThePlace in 2024.
- ✓ Stable Multimedia Advertising Income of HK\$156.5mn despite of weak economic recovery (2023: HK\$150.5mn)

Remarks:

1. For direct merchandise sales, the GMV on completed orders is before the deduction of HKTVmall dollars of HK\$8,850,000 (2023: HK\$4,364,000) and use of promotional coupon of HK\$36,311,000 (2023: HK\$44,067,000).
2. For income from concessionaire sales and other service income, it is before the addition of net HKTVmall dollars of HK\$7,304,000 (2023: deduction of HK\$1,562,000) and included merchant annual fee amortisation and other service income.
3. For income from New Ventures and Technology business segment, it is before the deduction of net loyalty points from New Ventures and Technology business segment of HK\$305,000 (2023: HK\$Nil).



Group Key Operating Expenses

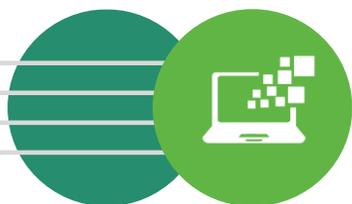
	As a % of GMV on completed orders	2024 HK\$'mn	As a % of GMV on completed orders <i>(restated)</i>	2023 HK\$'mn <i>(restated)</i>	Variance HK\$'mn	Variance in %
Fulfilment costs (note 1) included 3PL Fulfilment costs	12.3%	1,007.9	11.4%	933.1	74.8	8.0%
Marketing, promotional and O2O shop marketing expenses	2.2%	182.6	2.7%	222.5	(39.9)	-17.9%
O2O shop operating expenses (note 2)	1.9%	157.1	2.4%	196.7	(39.6)	-20.1%
Ecommerce operation and supporting functions	5.3%	433.5	5.2%	424.7	8.8	2.1%
Ecommerce business key operating expenses	21.7%	1,781.1	21.7%	1,777.0	4.2	0.2%
New Ventures and Technology business segment key operating expenses (note 3)		248.6		136.5	112.1	82.1%
Unallocated operating expenses		44.7		34.4	10.2	29.7%
Total key cash operating expenses		2,074.4		1,947.9	126.5	6.5%
Non-cash items (note 4)		204.2		137.1	67.1	48.9%
Total other operating expenses under management reporting purpose		2,278.6		2,085.0	193.5	9.3%
Less: Elimination of allocated common expenses		(45.5)		(37.9)	(7.6)	20.2%
Less: Marketing promotional and O2O shop operating expenses deducted in turnover		(38.2)		(50.0)	11.8	-23.7%
Less: interest on lease liabilities included in finance costs		(23.1)		(17.8)	(5.3)	29.8%
Total other operating expenses under statutory reporting purpose		2,171.8		1,979.3	192.4	9.7%

- Including depreciation** — other properties leased for own use of HK\$82.3 mn (2023: HK\$85.2mn) and interest on lease liabilities of HK\$19.2 mn (2023: HK\$14.3 mn)
- Including depreciation** — other properties leased for own use of HK\$59.9 mn (2023: HK\$74.1mn) and interest on lease liabilities of HK\$2.8 mn (2023: HK\$2.5 mn)
- Including depreciation** — other properties leased for own use of HK\$9.0 mn (2022: HK\$6.3mn) and interest on lease liabilities of HK\$1.1 mn (2023: HK\$0.9 mn)
- Excluded depreciation** — other properties leased for own use of HK\$151.2 mn (2023: HK\$165.6mn)
- 2023 figures restated to consistently reflect the elimination of allocated common expenses



Group Key Operating Expenses

- **Hong Kong Ecommerce fulfilment costs**
 - **Fulfilment cost % increased to 12.3% of GMV on completed orders (2023: 11.4%)** mainly caused by (1) increase in outsource manpower and leased car expenses primarily due to improved service level with lower delivery threshold for 2024 membership tiering and increased demand for 8-hour Express Delivery and (2) increase in 3PL operating costs to support full year 3PL operation in 2024 while it was under trial run from May 2023.
- **Hong Kong Ecommerce Marketing, promotional and O2O shop marketing expenses**
 - **Marketing cost % decreased to 2.2% of GMV on completed orders (2023: 2.7%)** particularly due to a large-scale marketing campaign - “Mom certified” was held in 2023, with advertisements dominated the trackside panels of 58 MTR stations together with the strategic distribution of discounted cash vouchers totaling not less than HK\$3,000 to HKTVMall users.
 - Include \$38.2M (2023: \$50.0mn) Mall Dollars granted and promotional coupons used which was deducted in Turnover under AR disclosure.
- **Hong Kong Ecommerce O2O shop operating expenses**
 - **O2O shop operations** accounted for **1.9% of GMV on completed orders (2023: 2.4%)** decrease was due to O2O store consolidation and closure which decreased the no. of stores from 87 in December 2023 (including 5 mega stores) to 74 in December 2024 (including 2 mega stores), and relocation of O2O shops for reduced rental.
- **Hong Kong Ecommerce operation and supporting functions**
 - **Ecommerce operation and supporting functions** increase to **5.3% of GMV on completed orders (2023: 5.2%)**, include payment processing charges, merchant relations and acquisition, customer service, allocated non-capitalized technical costs incurred for Hong Kong Ecommerce business, and supporting functions.
- **New Venture and Technology business key operating expenses** mainly include (1) the operating expenses incurred for New Venture Projects, (2) the research and development costs incurred which are not qualified for capitalization as intangible assets and (3) allocated costs from shared support functions. Increased by \$112.1mn in 2024 mainly due to (a) incremental operating expenses and allocated non-capitalized technical costs for Everuts and Wet Market Express due to their enlarging business scale; (b) Life Science Projects, the increase was mainly due to expanding research team size and increased number of experiments conducted in 2024, and newly leased place for setting up laboratory overseas.
- **Non-cash items** included \$42.1mn impairment loss on certain fixed assets in relation to the UK operation of Fully Automated Retail Store and System recognized in 2024 (2023: nil). Others mainly represented depreciation and amortization.
- **Unallocated segment operating expense** Mainly represented the expenses of head office and corporate expenses not allocated to Hong Kong Ecommerce business or New Ventures and Technology business.



Consolidated Statement of Financial Position

Maintain Strong Liquidity with Investment in Other Financial Assets and Cash Balance of **HK\$712.5mn**

	Dec-24 HK\$'000	Dec-23 HK\$'000	Variance HK\$'000	in %
Property, plant and equipment	1,397,644	1,517,182	(119,539)	-7.9%
Other properties leased for own use	389,960	452,902	(62,942)	-13.9%
Intangible assets (HKBN Network IRU and telecom facilities)	30,503	34,619	(4,116)	-11.9%
Intangible assets (qualified R&D costs)	135,557	100,607	34,950	34.7%
Other financial assets (Fixed income and Equity investment)				
Non-current	129,506	201,060	(71,554)	-35.6%
Current	41,320	160,712	(119,392)	-74.3%
Other receivable, deposits and prepayments	205,232	191,682	13,550	7.1%
Inventories and other contract costs	133,711	140,418	(6,706)	-4.8%
Time deposit	-	243,028	(243,028)	NA
Cash and cash equivalents	541,705	330,565	211,140	63.9%
Deferred tax assets	94,602	89,005	5,596	6.3%
Total Assets	3,099,740	3,461,780	(362,040)	-10.5%
Accounts payable	341,442	382,760	(41,318)	-10.8%
Other payables and accrued charges	462,642	453,408	9,234	2.0%
Deposits received	5,757	5,757	-	0.0%
Lease liabilities	415,954	472,799	(56,845)	-12.0%
Deferred tax liabilities	2,326	1,709	617	36.1%
Total Liabilities	1,228,121	1,316,432	(88,311)	-6.7%
NET ASSETS	1,871,619	2,145,348	(273,729)	-12.8%
Share capital	1,805,004	1,805,004	-	0.0%
Reserve	66,615	340,344	(234,963)	-69.0%
TOTAL EQUITY	1,871,619	2,145,348	(234,963)	-11.0%

Total capital resources decreased mainly due to \$220.4mn incurred for Share repurchase and cancelled during 2024.

2025 Business Targets

– Maintains a Strategic and Cautious Outlook for Future Performance



The evolving challenges in the retail landscape and the varying potential and difficulties of different New Venture projects equipped with investment phase losses pose increasing complexity and unpredictability to the entire operating environment.

The Board has reassessed the market conditions and adjusted the 2025 Business Target.

Hong Kong Ecommerce business - 2025 Business Target

GMV on Order Intake

**HK\$7.8bn to
HK\$8.0bn**

2024 Actual:
HK\$8.27bn

Multimedia Advertising Income

**HK\$140.0mn to
HK\$150.0mn**

HK\$145.0mn commitment had
received

2024 Actual:
HK\$156.5mn

Blended Gross Margin and Commission Rate

23.5% - 24.5%

before including Multimedia
Advertising Income

2024 Actual:
23.2%

Adjusted EBITDA

**Approximately
3.7% to 3.9%,
(~HK\$290.0mn to
HK\$310.0mn)**

2024 Actual:
4.0% (HK\$329.2mn)

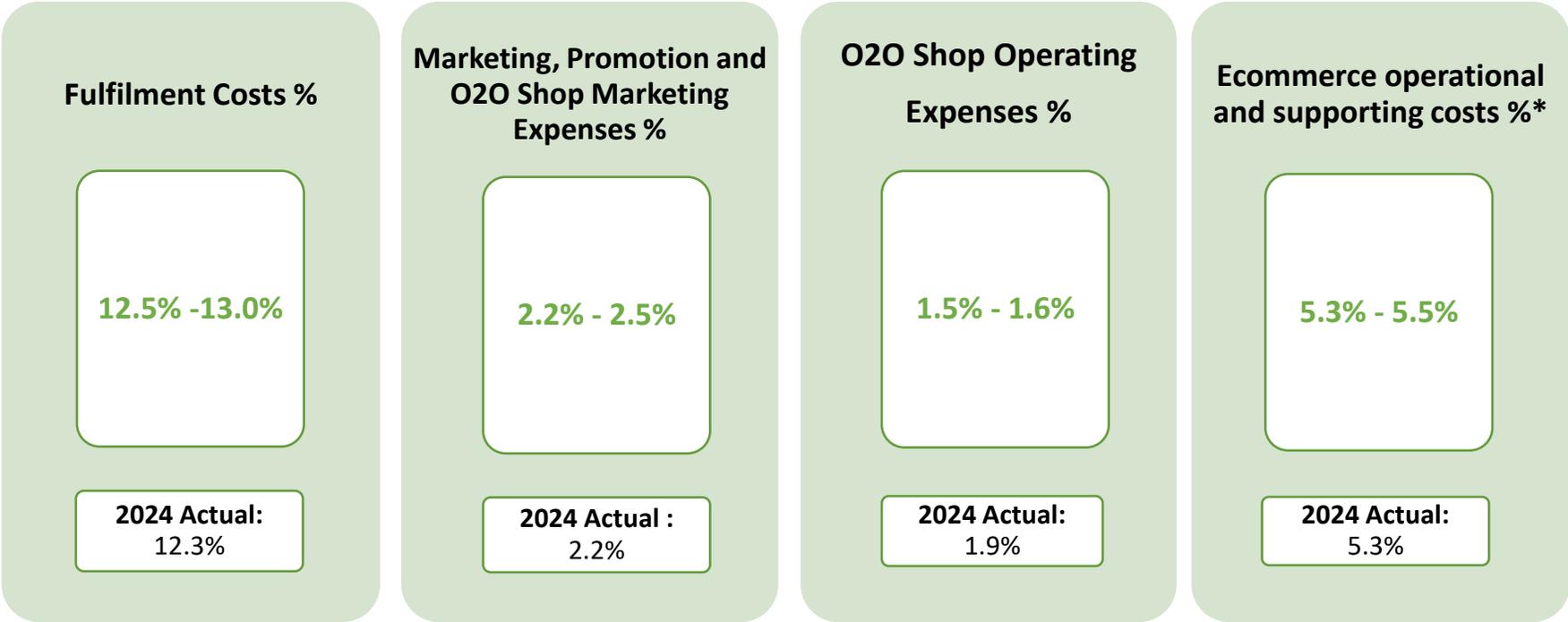
2025 Business Targets

– Maintains a Strategic and Cautious Outlook for Future Performance



Hong Kong Ecommerce business - 2025 Business Target

Dynamic Operating Cost Structure to Cope with Market Challenges and Uncertainty



*Ecommerce Operation and Supporting Costs, include allocated uncapitalised technical costs incurred for HKTVmall technical development and allocated other supporting departments costs

2025 Business Targets

– Maintains a Strategic and Cautious Outlook for Future Performance



New Venture Projects - 2025 Business Target

Aggregate GMV on order intake: HK\$535.3 million to HK\$551.5 million

Aggregate Adjusted EBITDA loss: HK\$200.0 million to HK\$215.0 million

Wet Market Express

Everuts

Fully Automated Retail Store and System : In:Five

Life Science Project

GMV on order intake

HK\$469.0mn to HK\$480.0mn

y-o-y growth by 74.9% to 79.0%

2024 Actual: HK\$268.2mn

Adjusted EBITDA Loss

HK\$90.0mn

2024 Actual: HK\$77.3mn

GMV on Order Intake

HK\$65.0mn to HK\$70.0mn

y-o-y growth by 9.2% - 17.6%

2024 Actual: HK\$59.5mn

Adjusted EBITDA Loss

HK\$15.0mn to HK\$20.0mn

2024 Actual : HK\$33.4mn

GMV on Order Intake

HK\$1.3mn to HK\$1.5mn

2024 Actual: HK\$0.6mn

Adjusted EBITDA Loss

HK\$65.0mn to HK\$70.0mn

2024 Actual: HK\$54.3mn

Adjusted EBITDA Loss

HK\$30.0mn to HK\$35.0mn

2024 Actual: HK\$15.5mn

2025 Business Targets

– Maintains a Strategic and Cautious Outlook for Future Performance



Wet Market Express

- ❖ Solid growth since launch, shall continue to strengthen promotion to solidify its market position.

Everuts

- ❖ Gradual and steadily improvement but breakeven in the short term remains challenging, will continue to develop this business in a stringent manner.
- ❖ As most of its IT systems have been developed, will
 - ❖ **recalibrate the operations** to lower costs, and
 - ❖ **re-allocate those resources** for HKTVmall development.

Fully Automated Retail Store and System

UK Development - The regulatory complexity and technical barriers caused delays far beyond initial timeline.

- ❖ **Intend to scale back the UK store deployment** after the 2nd store to soft launch in 2Q2025.
- ❖ **To conduct a thorough reassessment of the project's feasibility and chart its future course**

Overall Project

- ❖ To Leverage the insights from the two UK stores, to **continue the R&D efforts to refine the system design and streamline operational workflows.**
- ❖ To **explore the potential to establish a HK store** to support engineering and operational research.
- ❖ **Ongoingly evaluate the practicality of alternative commercialization pathways** to ensure the project's long-term success

Life Science Projects

- ❖ Encouraging progress – **research teams with 20+ professional members**, including university professors, professional medical teams and doctors.
- ❖ **Convincing groundbreaking direction** in “blood regeneration” and “organ preservation” with profound potential
- ❖ In the **process of setting up our own laboratory overseas**, which expect to operate by end of 2025
- ❖ Cutting-edge research typically **requires ten years or more to yield significant results**

Update on Core CAPEX Plan

TKO Headquarters

Core CAPEX Plan for 2025 - 2028

- Amid the downturn in economic confidence and shifting consumer preferences away from Hong Kong, the Board revisited and updated the CAPEX expansion plan at TKO HQs as follow:
 - ❖ To extend the core CAPEX plan of **HK\$250 — 300 million** by at least two additional years, covering the period from **2025 to 2028**.
 - ❖ To review the construction plan, considering the projections for future business development needs.

Fully Automated Retail Store and System

Scale back UK development in 2025 for thorough reassessment

- Approximately **HK\$10 million** mainly for continued research and development efforts

Life Science Projects

Continue to invest resources and make progress steadily

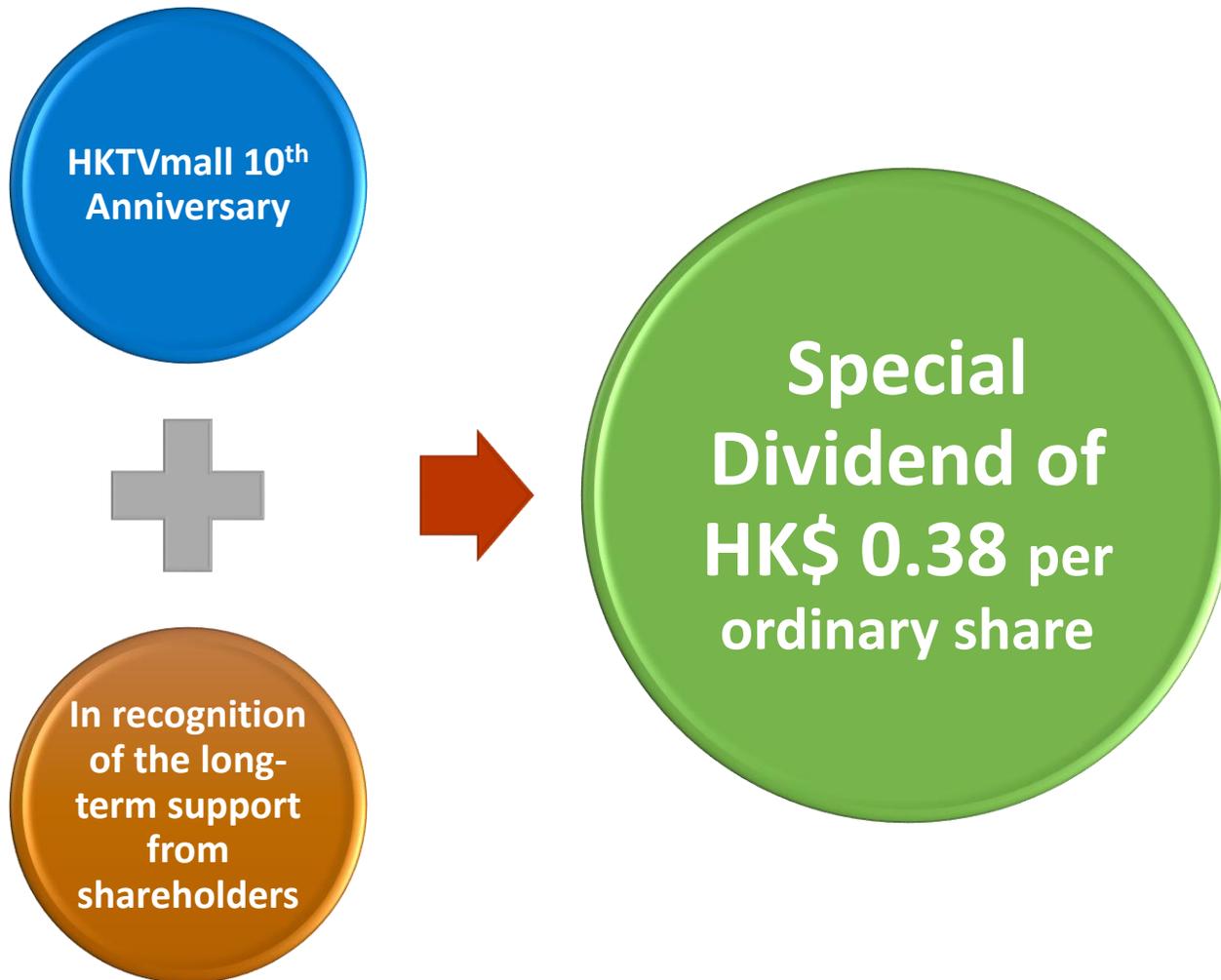
- Approximately **HK\$30.0 million to 40.0 million** for setting up our laboratory overseas including required equipment.

Everuts and Wet Market

Minimal CAPEX is expected in 2025

Special Dividend Recommendation

Thank all shareholders for the unwavering support and trust



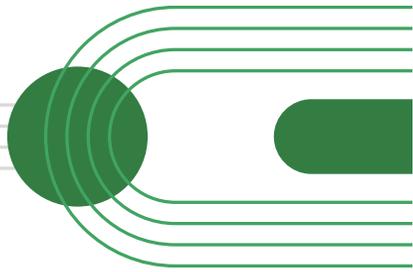
Subject to Shareholders' Approval at coming AGM



Ecommerce Business Overview

Ms. Jelly Zhou
Chief Executive Officer (Hong Kong)





Navigating Challenges in 2024: Surging Trend for Outbound Travel

	Holiday	% Change (2023 VS 2024)
	Saturdays & Sundays	↑ 43.7%
	Easter Holidays & Tomb-sweeping Day	↑ 26.4%
	National Day Golden Week (The First 5 days)	↑ 44.5%
	Christmas & New Year Eve (7 days)	↑ 25.3%

Total Outbound
Passenger Traffic of
HK Residents in 2024

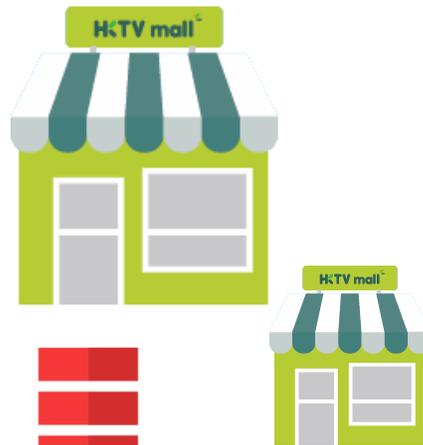
↑ **45%**
(VS 2023)



Navigating Challenges in 2024: High Rental Cost - Streamline Physical O2O Store Operation

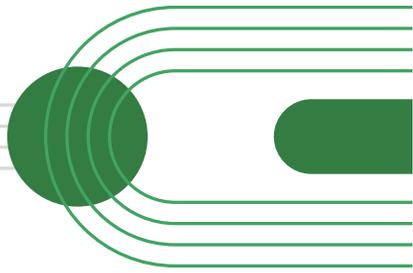
90 stores
(Jun 2023)

**HKTVMall
O2O Stores**



73 stores
(Feb 2025)





Navigating Challenges in 2024: Weakening Local Consumption Power

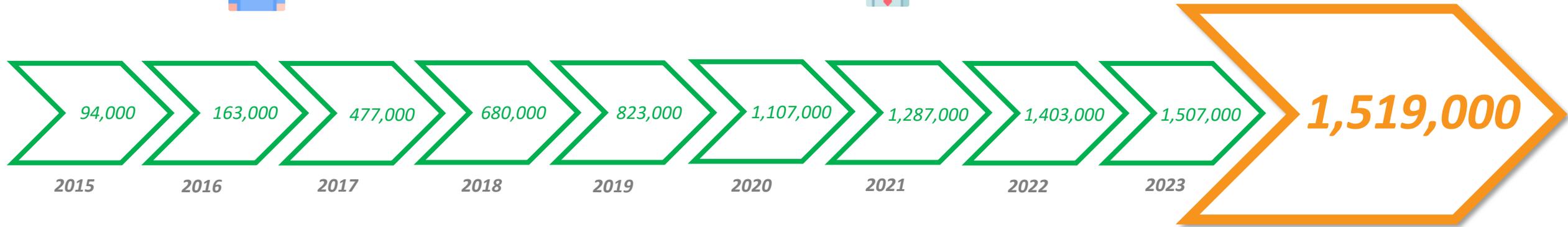




HKTVmall: Solid Foundation on Customer Base



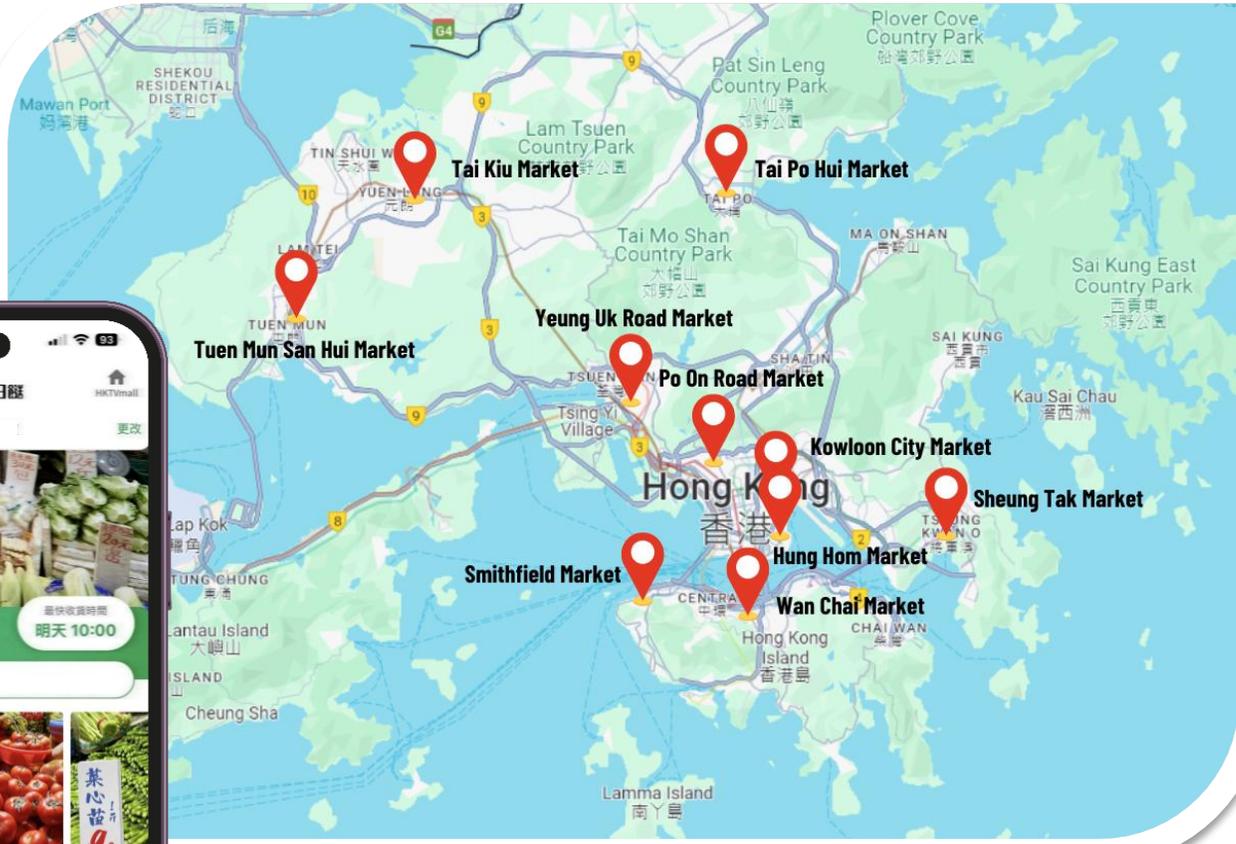
Combined Unique Customers (rounded to the nearest thousand)



* Unique Customers: Individuals who have purchased with an HKTVmall account



Encourage Customers to Explore Wider Range of Categories Online - Expanding Wet Market Business



No. of Unique Customers:

2023: 65,000

2024: **136,000**

⤴️ **109%**



Achieved A Remarkable GMV Growth of

⤴️ **166%**



Encourage Customers to Explore Wider Range of Categories Online - From Every Corner of Hong Kong to Your Door



Hormone Free Local Pork
in Yuen Long

Best Price Poultry Stall
in Tuen Mun



Well known Seafood Stall
in Wan Chai



Premium Hand Cut Beef
in Kowloon City

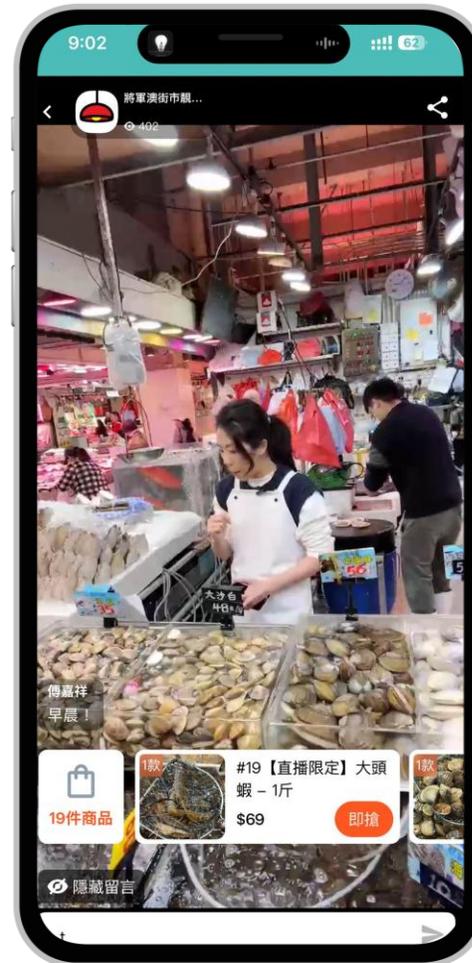


- Enable **Pre-Order**: Secure premium fresh food items such as pork, chicken and seafood in advance
- Best Stalls in Hong Kong: Source from top-rated wet market merchants
- **Beyond Boundaries**: Hong Kong wide delivery



Encourage Customers to Explore Wider Range of Categories Online - Wet Market Live Shows: Reinforcing Freshness & Driving Awareness

- Same-Day Delivery Across Hong Kong : Live Shows from 9am to 12pm & deliver by 6pm
- Positive customer feedback drives daily purchase habits





Successful Case on Live Commerce – HKTVLive x Wet Market Express

HKTVLive x
Wet Market Express
Hairy Crabs &
Fresh Food Promotion



Total Views:
50,200+



Total GMV :
HK\$400,000+



Encourage Customers to Explore A Wider Range of Categories Online - A Brand-New Live Shopping Experience with HKTVLIVE



New UI

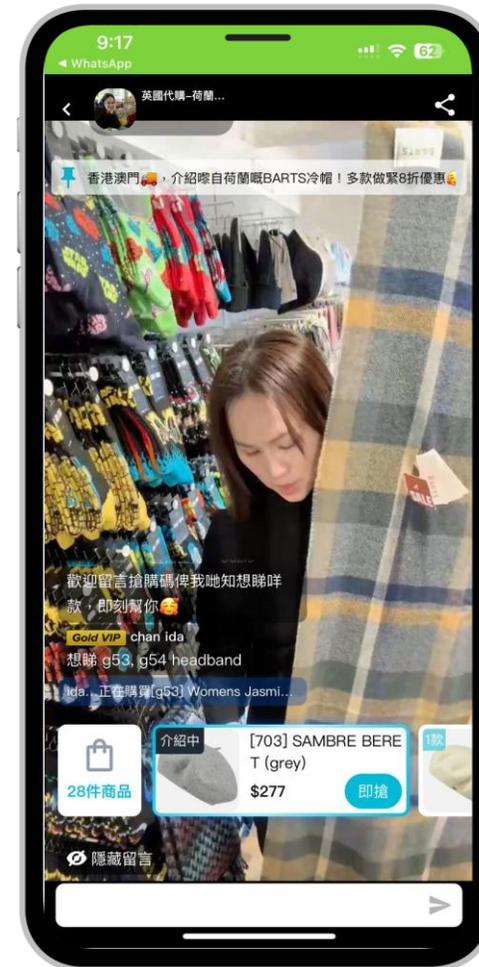


- More Prominent Exposure with key highlight item



New Initiative

- Expand to overseas fashion and beauty products





Extend Customer Engagement with HKTVMall App – New Content Marketing Tool at HKTVMall



 **No. of Unique Visitors**
951,000

Number of content created grew by
431% 

 **Total Number of Visits**
15,100,000 



Extend Customer Engagement with HKTVMall App – Versatile Video Content to Unleash Limitless Possibilities at HKTVMall LOOK **LOOK**

Working with **40+ KOLs**



3,500+ Trending videos on hot topics like Cooking & Recipes, Travel, Technology, Home & Lifestyle, Pets, Parenting, etc.



Reached total **15,000+** Qualified Views (>30s) & **56,000+** Unique Visitors in Feb 2025 after launch in Jun 2024



KOL-Content

- Captivating video content from famous & trending KOLs



Product Insertion

- Video content from Merchants to boost sales



HKTVMall Replays

- Converting live shows into Replay & VOD with ease
- Extending live shows sales lifecycle to 24/7



Tailor-made Product Intros

- In-house production on high-conversion videos for new product launches

New Product Range for New Hongkongers, with a Dedicated Page for Mainland Products at Mainland Prices



- Introduced hero products from the Mainland to cater to consumers' shopping preferences
- With the same price of the Mainland major online platform, target to expand to **100,000** SKUs in 2025

必囤網紅貨



內地同價！
免運包郵到港





8-Hour Delivery - Effectively Enhance The Shopping Experience



- Reached **259,000+ items** for 8-hour delivery (including 1P & 3P items), contributed over 50% of total GMV in 2024
- GMV from 3P items has increased by 105%
- **33% higher purchase frequency** for customer who enjoyed same day delivery service
- Further expanding to **3-hour** delivery

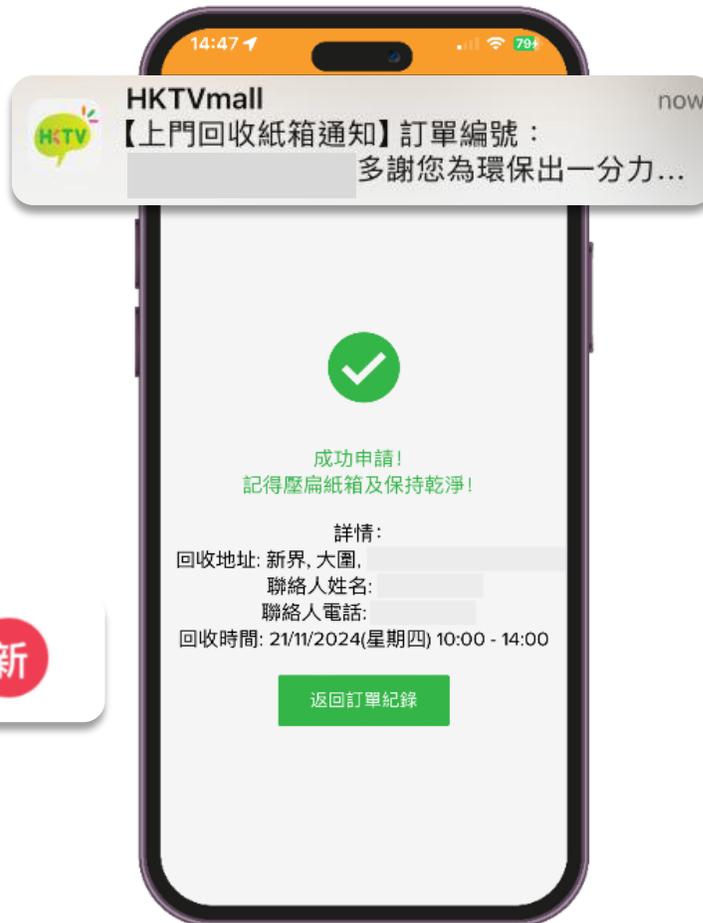


Prioritize Sustainability to Foster A Greener Ecommerce Industry

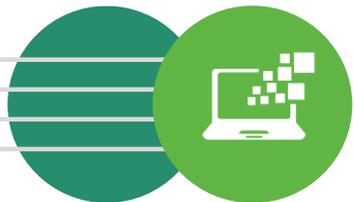
Launch of Door-to-door Recycling Service in Nov 2024



申請上門回收紙箱服務 **新**



- After delivery, customers can request "Recycling service" in the HKTVmall app
- HKTVmall will collect paper waste at their address during the chosen time
- Paper waste like cartons are brought back to warehouse to recycle
- Available to Diamond VIP now and will expand full VIP base in Q2 2025



Look Forward: 2025 & 2026 Will Be More Difficult, HKTVmall Will Focus on

○ **Product Variety**

Provide diverse selection ensures that customers can find everything they need

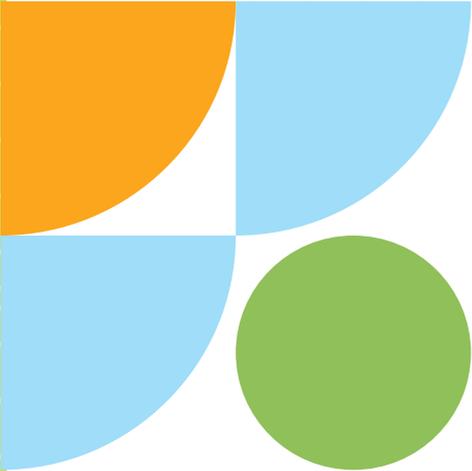


○ **Fast and Easy Delivery**

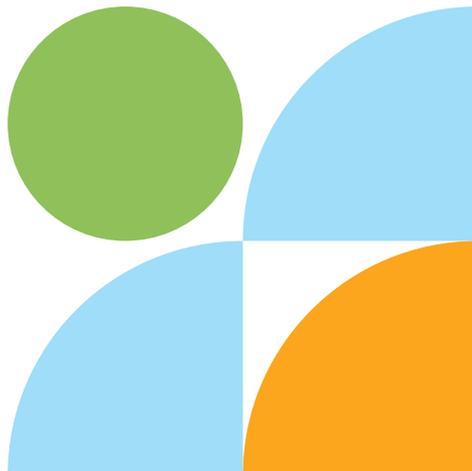
- **Free shipping for all orders** with in-store pickup effective from 1-Apr
- Expand for **3-hour** delivery

○ **Fresh Food Business**

Emphasize quality and freshness, offering a wide selection of fresh products



Thank You





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 non-recurring items including the government subsidies and impairment loss on property, plant and equipment.

EBITDA and Adjusted EBITDA profit is 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

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. Adjusted free cash flow is not a measure of performance under 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.



Consolidated Income Statement (Per Annual Report Disclosure)

HKTV Group (Per Annual Report disclosure)	2024	2023	Variance	
	HK\$'000	HK\$'000	HK\$'000	%
Average daily order - Group (number of order)	51,200	50,000	1,200.0	2.4%
Average order value - Group (HK\$)	459	462	(2.6)	-0.6%
-Direct Merchandise Sales ("1P") contribution	551.9	527.9	24.0	4.5%
-Sales (net of discount)	2,309.0	2,393.0	(84.0)	-3.5%
-Cost of sales	(1,757.1)	(1,865.1)	108.0	-5.8%
GP%	23.9%	22.1%		1.8%
-Commission from Concessionaire Sales ("3P") contribution	1,374.1	1,268.2	105.9	8.3%
-Sales (net of discount)	6,159.0	5,770.2	388.8	6.7%
-Payment to Merchants	(4,784.9)	(4,502.0)	(282.9)	6.3%
GP%	22.3%	22.0%		0.3%
Multimedia advertising income and licensing of programme rights	156.5	150.5	6.0	4.0%
Gross Contribution from Ecommerce	2,082.4	1,946.6	135.8	7.0%
Gross Margin	24.6%	23.8%		0.7%
Other income (excluded exchange loss)	70.5	94.9	(24.5)	-25.8%
Valuation loss	(21.2)	(0.6)	(20.6)	3425.0%
Exchange loss	(7.1)	(4.4)	(2.7)	61.9%
Operating expenses	(2,171.8)	(1,979.3)	(192.5)	9.7%
Finance costs	(24.2)	(18.5)	(5.7)	30.8%
Profit before taxation	(71.3)	38.8	(110.1)	-284.0%
Income tax credit	4.6	6.6	(2.0)	-29.7%
Profit for the year	(66.7)	45.3	(112.0)	-247.2%



Reconciliation of Group Adjusted EBITDA

Reconciliation of EBITDA and Adjusted free cashflow	2024 HK\$'000	2023 HK\$'000	Variance	
			HK\$'000	%
GMV on Order Intake	8,589,825	8,423,983	165,842	2.0%
GMV on Completed Orders	8,511,995	8,330,130	181,865	2.2%
(Loss) profit for the year	(66,700)	45,321	(112,021)	-247.2%
	-0.8%	0.5%		
Income tax credit	(4,607)	(6,557)	1,950	-29.7%
Investment returns	(31,395)	(42,774)	11,379	-26.6%
Depreciation (excluded depreciation on other properties leased for own use)	127,501	119,497	8,004	6.7%
Amortisation on intangible assets	27,387	15,135	12,252	81.0%
EBITDA	52,186	130,622	(78,436)	-60.0%
EBITDA/ GMV on completed orders (in %)	0.6%	1.6%		
Major non-cash items				
- Valuation losses on investment properties	21,150	600	20,550	3425.0%
- Exchange loss/(gain)	7,065	(4,364)	11,429	-261.9%
- (Reversal)/provision of expected credit loss on debt securities measured at FVOCI	(39)	(214)	175	-81.6%
- (Reversal)/provision of equity-settled share-based transactions	(2,736)	(1,207)	(1,529)	126.7%
- Gain on unwinding the discounting effect of rental deposits	(868)	(3,471)	2,603	-75.0%
- Unrealised fair value loss on debt securities measured at FVPL	2,937	772	2,165	280.5%
Major non-recurring items				
- Impairment loss on property, plant and equipment	42,101	-	42,101	0.0%
- Government subsidies	(813)	(21)	(792)	3735.8%
Adjusted EBITDA	120,983	122,716	(1,734)	-1.4%
Adjusted EBITDA/ GMV on completed orders (in %)	1.4%	1.5%		



Trend on Gross Profit and Blended Commission Rate Performance

Groceries



Beauty and Health



- 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

Digital and Electronics



Pets



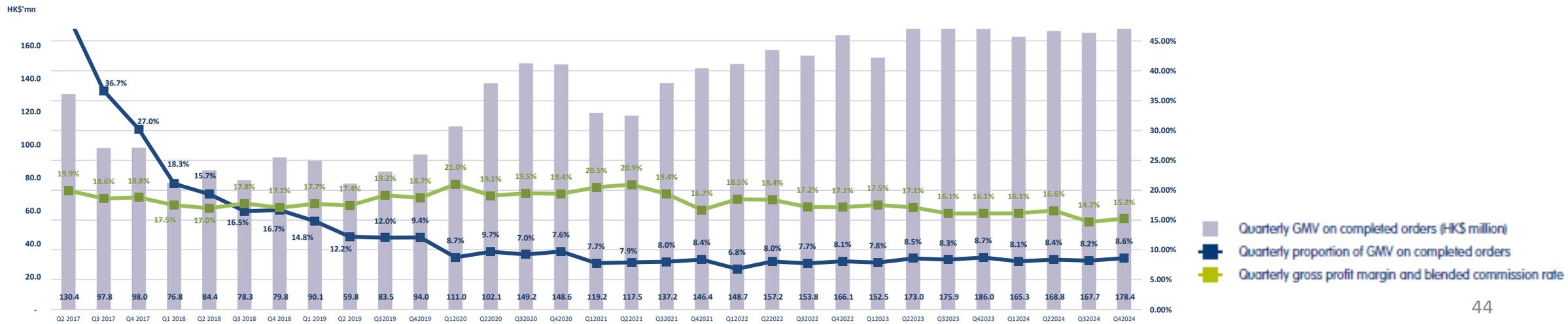


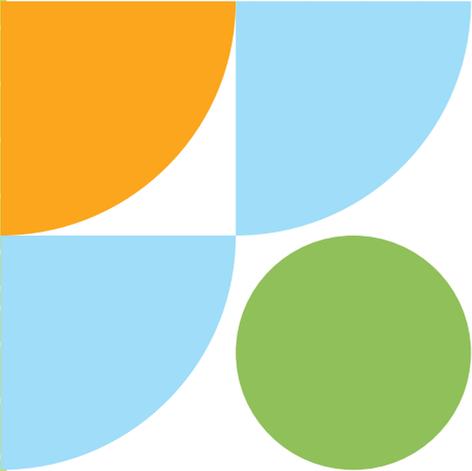
Trend on Gross Profit and Blended Commission Rate Performance

Houseware and Household



Others





Thank You

